Buchanan Ingersoll & Rooney PC

409 North Second Street, Suite 500
Harrisburg, PA 17101-1503
T 717 237 4800
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John F. Povilaitis
717 237 4825
john.povilaitis@bipc.com

May 21, 2018

VIA E-FILING

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

Re: Application of Hudson Energy Services, LLC for Approval to Offer, Render, Furnish or Supply Natural Gas Supply Services as a Supplier or Aggregator to the Public in the Commonwealth of Pennsylvania, Docket No. A-2018-______________

Dear Secretary Chiavetta:

Attached for e-filing with the Pennsylvania Public Utility Commission ("Commission") is the signed and verified Application of Hudson Energy Services, LLC ("Hudson") for Approval to Offer, Render, Furnish or Supply Natural Gas Supply Services as a Supplier or Aggregator to the Public within the Commonwealth of Pennsylvania. Included with the Application are various Appendices and Attachments in support of the Application, including the following items pursuant to the Commission's requirements:

- The $350 filing fee is being paid electronically concurrently with this e-filing;
- Application Affidavit and Operations Affidavit (Appendices A and B);
- Proof of Publication (Appendix F);
- Confidential Tax Certification Statement (Appendix D) – filed separately under seal of confidentiality as Confidential Exhibit 4;
- Commonwealth Department of State Verification (Attachment 1);
- Certificate of Service showing that the Application and all non-confidential documents are being served upon the parties listed on the Certificate of Service (Appendix C); and
- Bond Letters from Natural Gas Distribution Companies (Attachment 5).

A hardcopy of Hudson's confidential documents will be filed via hand delivery with the Commission separately under seal of confidentiality.

Please note that Hudson will be making a supplementary filing that provides the Commission with a Disclosure Statement required for natural gas supplier license applications proposing to serve residential and/or small commercial customers.

If you have any questions regarding this e-filing, please contact me. Thank you.

Very truly yours,

John F. Povilaitis

John F. Povilaitis

JFP/gm

Attachments

cc: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Hudson Energy Services, LLC , d/b/a N/A , for approval to offer, render, furnish, or supply natural gas supply services as a(n) *[as specified in item #4b below]* to the public in the Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

1. IDENTIFICATION AND CONTACT INFORMATION

a. IDENTITY OF THE APPLICANT: Provide name *(including any fictitious name or d/b/a)*, primary address, web address, and telephone number of Applicant:

Hudson Energy Services, LLC
5251 Westheimer Road, Suite 1000, Houston, Texas 77056
www.hudsonenergy.net
713.850.6790 x78339

b. PENNSYLVANIA ADDRESS / REGISTERED AGENT: If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

Corporation Service Company 2595 Interstate Dr., Suite 103, Harrisburg, PA 17110

c. REGULATORY CONTACT: Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

Kristina Montgomery
Regulatory Affairs Manager
5251 Westheimer Road, Suite 1000
Houston, Texas 77056
717-418-6508, kmontgomery@justenergy.com

d. ATTORNEY: Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

John Povilaitis - Buchanan Ingersoll & Rooney PC, 409 North Second Street Suite # 500,Harrisburg, PA 17101-1357, Office 717-237-4825, john.povilaitis@bipc.com
Cori Novy - Just Energy, 5251 Westheimer Road, #1000, Houston, TX 77056, 713.850.6786 x78786, cnovy@justenergy.com

e. CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS: Provide the name, title, address, telephone number, fax number, and e-mail **OF THE PERSON AND AN ALTERNATE PERSON (2 REQUIRED)** responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Natural Gas Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed NGSs.

Main Contact: Sherry Grosse - Manager Customer Care. 5251 Westheimer Road, Suite 1000, Houston, Texas 77056
Phone: 845.228.3429 x73429, Fax: 1-845-228-3422, Email: Sherry.Grosse@hudsonenergy.net

Alternate Contact: Eric Westby - Corporate & Consumer Relations. 5251 Westheimer Road, Suite 1000, Houston, Texas 77056
Phone: 713.297.4556 x 78556, Fax: 1-845-228-3422, Email: PA_customerfeedback@justenergy.com

2. BUSINESS ENTITY FILINGS AND REGISTRATION

a. FICTITIOUS NAME: *(Select appropriate statement and provide supporting documentation as listed.)*

☐ The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State Pursuant to 54 Pa. C.S. §311.

Or

☒ The Applicant will not be using a fictitious name.

b. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:
(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)

☐ The Applicant is a sole proprietor.

- If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

Or

☐ The Applicant is a:

☐ domestic general partnership (*)
☐ domestic limited partnership (15 Pa. C.S. §8511)
☐ foreign general or limited partnership (15 Pa. C.S. §4124)
☐ domestic limited liability partnership (15 Pa. C.S. §8201)
☐ foreign limited liability general partnership (15 Pa. C.S. §8211)
☐ foreign limited liability limited partnership (15 Pa. C.S. §8211)

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above.
- Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.
- Provide the state in which the business is organized/formed and provide a copy of the Applicant's charter documentation.
- * If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

☐ The Applicant is a:

- ☐ domestic corporation (15 Pa. C.S. §1308)
- ☐ foreign corporation (15 Pa. C.S. §4124)
- ☐ domestic limited liability company (15 Pa. C.S. §8913)
- ☒ foreign limited liability company (15 Pa. C.S. §8981)
- ☐ Other (Describe):

  - Provide proof of compliance with appropriate Department of State filing requirements as indicated above. See attachment 1
  - Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. See attachment 2
  - Give name and address of officers. See attachment 3

3. AFFILIATES AND PREDECESSORS

(both in state and out of state)

a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

See attachment 4. None of the affiliates are jurisdictional public utilities.

b. **PREDECESSORS**: Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

Applicant has no predecessors.

4. OPERATIONS

a. APPLICANT'S PRESENT OPERATIONS: *(select and complete the appropriate statement)*

Definitions

- Supplier – an entity which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of an natural gas distribution company
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of natural gas but does not take title to the natural gas.

☐ The Applicant is presently doing business in Pennsylvania as a

- ☐ natural gas interstate pipeline
- ☐ municipality providing service outside its municipal limits
- ☐ local gas distribution company
- ☐ retail supplier of natural gas services in the Commonwealth
- ☐ a natural gas producer
- ☐ a broker/marketer engaged in the business of supplying natural gas services
- ☒ Other. (Identify the nature of service being rendered)
  Electric Generation Supplier

or

☐ The Applicant is not presently doing business in Pennsylvania.

b. APPLICANT'S PROPOSED OPERATIONS: The Applicant proposes to operate as a:

- ☒ Supplier or Aggregator of natural gas services
- ☐ Municipal supplier of natural gas services
- ☐ Cooperative supplier of natural gas services
- ☐ Broker/Marketer engaged in the business of supplying natural gas services
  - ☐ Check here to verify that your organization will not be taking title to the natural gas nor will you be making payments for customers.
- ☐ Other (Describe):

c. PROPOSED SERVICES: Describe in detail the natural gas supply services which the Applicant proposes to offer.

Hudson Energy Services, LLC intends to supply natural gas to retail customers in the Commonwealth of Pennsylvania.

d. PROPOSED SERVICE AREA: Check the box of each Natural Gas Distribution Company for which the Applicant proposes to provide service.

- ☒ Columbia
- ☐ National Fuel Gas
- ☒ PECO
- ☒ Peoples Gas – Equitable Div.
- ☒ Peoples Natural Gas
- ☒ Peoples Gas Company
- ☐ Philadelphia Gas Works
- ☒ UGI Central Penn
- ☒ UGI Penn natural
- ☒ UGI Utilities
- ☐ Valley Energy
- ☐ All of the above

e. CUSTOMERS: Applicant proposes to provide services to:

- ☐ Residential Customers
- ☐ Small Commercial Customers - (Less than 6,000 Mcf annually)
- ☐ Residential and Small Commercial as Mixed Meter ONLY **(CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE)**
- ☐ Large Commercial Customers - (6,000 Mcf or more annually)
- ☐ Industrial Customers
- ☐ Governmental Customers
- ☒ All of above (Except Mixed Meter)
- ☐ Other (Describe):

f. START DATE: Provide the approximate date the Applicant proposes to actively market within the Commonwealth.

Upon Commission's approval of the application and completion of certification with the NGDCs.

5. COMPLIANCE

a. CRIMINAL/CIVIL PROCEEDINGS: State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

See Confidential Exhibit 1

b. SUMMARY: If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

See Confidential Exhibit 1

c. CUSTOMER/REGULATORY/PROSECUTORY ACTIONS: Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. **Applicant should also include if it had a Pennsylvania PUC EGS or NGS license previously cancelled by the Commission.** If the Applicant has no actions or complaints to list, explicitly state such.

See Confidential Exhibit 1

d. SUMMARY: If applicable; provide a statement as to the resolution or present status of any actions listed above.

See Confidential Exhibit 1

6. PROOF OF SERVICE

Required of ALL Applicants regardless of operating as a supplier, broker, marketer, or aggregator.
(Example Certificate of Service is attached at Appendix C)

a.) STATUTORY AGENCIES: Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, provide proof of service of a signed and verified Application with attachments on the following:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2 West
Harrisburg, PA 17120

b.) NGDCs: Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, provide Proof of Service of the Application and attachments upon each of the Natural Gas Distribution Companies the Applicant proposed to provide service in. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14. Contact information for each NGDC is as follows.

Columbia Gas of PA, Inc. Michele Caddell 290 W. Nationwide Blvd. Columbus, OH 43215 PH: 614.460.6841 FAX: 614.460.8447 e-mail: mcaddell@nisource.com	
Peoples Natural Gas – Equitable Division Lynda Petrichevich 375 North Shore Drive Pittsburgh, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 e-mail: Lynda.w.petrichevich@peoples-gas.com	**National Fuel Gas Distribution Corp.** David D. Wolford 6363 Main Street Williamsville, NY 14221 PH: 716.857.7483 FAX: 716.857.7479 e-mail: wolfordd@natfuel.com
The Peoples Natural Gas Company Lynda Petrichevich 375 North Shore Drive Pittsburgh, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 e-mail: Lynda.w.petrichevich@peoples-gas.com	**PECO** Carlos Thillet, Manager, Gas Supply and Transportation 2301 Market Street, S9-2 Philadelphia, PA 19103 PH: 215.841.6452 Email: carlos.thillet@exeloncorp.com
Peoples Gas Company Lynda Petrichevich 375 North Shore Drive Pittsburgh, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 e-mail: Lynda.w.petrichevich@peoples-gas.com	**Philadelphia Gas Works** Nicholas LaPergola 800 West Montgomery Avenue Philadelphia, PA 19122 PH: 215.684.6278 email: nicholas.lapergola@pgworks.com
UGI Central Penn David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 Email: dlahoff@ugi.com	**UGI** David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 Email: dlahoff@ugi.com
Valley Energy Inc. Ed Rogers 523 South Keystone Avenue Sayre, PA 18840-0340 PH: 570.888-9664 FAX: 570.888.6199 email: erogers@ctenterprises.org	**UGI Penn Natural** David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 Email: dlahoff@ugi.com

7. FINANCIAL FITNESS

a. BONDING: In accordance with 66 Pa. C.S. Section 2208(c), no natural gas supplier license shall be issued or remain in force unless the applicant or holder furnishes a bond or other security in a form and amount to ensure the financial responsibility of the natural gas supplier. The criteria used to determine the amount and form of such bond or other security shall be set by each NGDC. Provide documentation that the applicant has met the security requirement of each NGDC by submitting the letters sent by the NGDCs stating what bonding amounts they require.

See Attachment 5

b. FINANCIAL RECORDS, STATEMENTS, AND RATINGS: Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies. See Attachment 6. See also Confidential Exhibit 2.
- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient) Just Energy's Annual Reports can befound on their investor relations website at: http://justenergygroup.com/FinancialReports/QuarterlyAnnualReports.aspx. See Attachment 6 for a copy of the 2016 and 2017 Annual Reports.
- Applicant's accounting statements, including balance sheet and income statements for the past two years. See Attachment6
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee. See Confidential Exhibit 2
- Audited financial statements exhibiting accounts over a minimum two year period.

  The 2016 and 2017 Audited Financial Statements are filed as Confidential Exhibit 2 separately under seal of confidentiality.
- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness.

c. SUPPLIER FUNDING METHOD: If Applicant is operating as anything other than **Broker/Marketer only**, explain how Applicant will fund its operations. Provide all credit agreements, lines of credit, etc., and elaborate on how much is available on each item.

See Attachment 6. Hudson will be funded through existing capital but the financials are consolidated with its parent company, Just Energy Group Inc. Please see Parental Guaranty at Confidential Exhibit 3, filed separately under seal of confidentiality.

d. BROKER PAYMENT STRUCTURE: If applicant is a broker/marketer, explain how your organization will be collecting your fees.

N/A

e. ACCOUNTING RECORDS CUSTODIAN: Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

Michael Miller, Finance Manager, 5251 Westheimer Road Suite 1000, Houston, TX 77056, 713.881.8615 x78615, mmiller@justenergy.com

f. TAXATION: Complete the TAX CERTIFICATION STATEMENT attached as Appendix D to this application.

All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications numbers (items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.

Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.

See Confidential Exhibit 4

8. TECHNICAL FITNESS:

To ensure that the present quality and availability of service provided by natural gas distribution companies does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

a. EXPERIENCE, PLAN, STRUCTURE: such information may include:

- Applicant's previous experience in the natural gas industry.
- Summary and proof of licenses as a supplier of natural gas services in other states or jurisdictions.
- Type of customers and number of customers Applicant currently serves in other jurisdictions.
- Staffing structure and numbers as well as employee training commitments.
- Business plans for operations within the Commonwealth.
- Any other information appropriate to ensure the technical capabilities of the Applicant.

See attachment 7

b. PROPOSED MARKETING METHOD *(check all that apply)*

☒ Internal – Applicant will use its own internal resources/employees for marketing
☒ External NGS – Applicant will contract with a **PUC LICENSED NGS**
☒ Affiliate – Applicant will use a **NON-NGS affiliate that is a nontraditional marketer and/or marketing services consultant**
☒ External Third-Party – Applicant will contract with a **NON-NGS third party nontraditional marketer and/or non-selling marketer**
☐ Other (Describe):

c. **DOOR TO DOOR SALES:** Will the Applicant be implementing door to door sales activities?

- [x] Yes
- [ ] No

If yes, will the Applicant be using verification procedures?

- [x] Yes
- [ ] No

If yes, describe the Applicant's verification procedures.

Applicant will submit any residential enrollments through a recorded and scripted telephonic or digital verification proces
The verification process will confirm the customer's intent to transfer their account to Hudson Energy Services and the terms of the agreement.

d. **OVERSIGHT OF MARKETING:** Explain all methods Applicant will use to ensure all marketing is performed in an ethical manner, for both employees and subcontractors.

Prior to marketing, applicant will require employees and subcontractors to complete a robust training program which addresses applica laws and regulations, ethical sales practices, marketing practices, contract enrollment processes, verification processes (if applicable), customer protection, and customer complaints. Applicant will also provide employees and subcontractors with internal compliance processes and policies and will conduct periodic audits to enforce compliance with training, laws, and regulations.

e. **OFFICERS**: Identify Applicant's chief officers, and include the professional resumes for any officers directly responsible for operations. All resumes should include date ranges and job descriptions containing actual work experience.

See Attachment 7

9. DISCLOSURE STATEMENT:

(Not applicable for an applicant applying for a license exclusively as a broker/marketer.)

DISCLOSURE STATEMENTS: If proposing to serve Residential and/or Small Commercial (less than 6,000 Mcf annually) Customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix E to this Application.

- Natural gas should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

See Appendix E

10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

a. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 62.114.

[X] AGREED

b. **REPORTING REQUIREMENTS**: Applicant agrees to provide the following information to the Commission:

- Reports of Gross Receipts: Applicant shall file an annual report with the Commission on an annual basis no later than April 30th following the end of the calendar year per 52 Pa. Code § 62.110.

[X] AGREED

c. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. § 2208(d). Transferee will be required to file the appropriate licensing application.

[X] AGREED

d. **ANNUAL FEES: The Public Utility Code authorizes the PUC to collect an annual fee of $350 from suppliers, brokers, marketers, and aggregators selling natural gas in the Commonwealth of PA, and a supplemental fee based on annual gross intrastate revenues, applicable to suppliersonly.**

[X] ACKNOWLEDGED

e. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 62.105.

[X] AGREED

f. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

[X] AGREED

g. **NOTIFICATION OF CHANGE:** If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within thirty (30) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 62.105.

☒ AGREED

h. **CEASING OF OPERATIONS:** Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

☒ AGREED

i. **FILING FEE: The Applicant has enclosed or paid the required, non-refundable filing fee by CERTIFIED CHECK OR MONEY ORDER in the amount of $350.00 payable to the Commonwealth of Pennsylvania. <u>The Commission does not accept corporate or personal checks for filing fees.</u>**

☒ **PAYMENT ENCLOSED**

11. <u>AFFIDAVITS</u>

(All affidavits must be notarized before filing.)

a.) **APPLICATION AFFIDAVIT:** Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.

b.) **OPERATIONS AFFIDAVIT:** Provide an officially notarized affidavit stating that you will adhere to the Public Utility Code of Pennsylvania and applicable federal and state laws. An example copy of this Affidavit can be found at Appendix B.

12. NEWSPAPER PUBLICATIONS

Required of ALL Applicants regardless of operating as a supplier, broker, marketer, or aggregator.

Notice of filing of this Application must be published in newspapers of general circulation covering each county in which the applicant intends to provide service. The newspapers in which proof of publication are required is dependent on the service territories the applicant is proposing to serve.

The chart below dictates which newspapers are necessary for each NGDC. For example, an applicant that wants to operate in Peoples – Equitable would need to run ads in both The Erie Times-News and the Pittsburgh Post-Gazette. If the applicant is proposing to serve the entire Commonwealth, please file proof of publication in all seven newspapers.

The only acceptable verification of this requirement is with Notarized Proofs of Publication, which may be requested from each newspaper and must be supplied with this application. Applicants do not need a docket number in their publication. Docket numbers will be issued when all criteria on the item 14 checklist (see below) are satisfied.

	Erie Times-News	Harrisburg Patriot-News	Philadelphia Daily News	Pittsburgh Post-Gazette	Scranton Times-Tribune	Williamsport Sun-Gazette	Johnstown Tribune-Democrat
Columbia Gas	X	X		X		X	X
National Fuel Gas				X			
PECO			X				
Peoples - Equitable	X			X			
Peoples Natural Gas	X			X			X
Peoples Gas Company				X			
Philadelphia Gas Works			X				
UGI		X	X		X		
UGI Central Penn	X	X	X	X	X	X	X
UGI Penn Natural		X			X	X	
Valley Energy					X	X	
Entire Commonwealth	X	X	X	X	X	X	X

(Example Publications are provided at Appendices F and G)

13. SIGNATURE

Applicant:: Hudson Energy Services, LLC

By: [signature]

Title: President

CMW
Approved By Legal

14. CHECKLIST

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections is complete.

Applicant: Hudson Energy Services, LLC

Applicant's Use

Applicant's Use		PUC Secretary's Bureau Use
✓	**Signature**	
✓	**Filing Fee (ONLY CERTIFIED CHECK OR MONEY ORDER)**	
✓	**Application Affidavit**	
✓	**Operations Affidavit**	
✓	**Proof of Publication**	
✓	**Tax Certification Statement**	
✓	**Commonwealth Department of State Verification**	
✓	**Certificate of Service**	

Affidavits (Appendix A & B)

Application and Operations Affidavits

Appendix A

APPLICATION AFFIDAVIT

[Commonwealth/State] of Texas :

: ss.

County of Harris :

Charles Brent Moore, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the President (Office of Affiant) of Hudson Energy Services, LLC (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein Hudson Energy Services, LLC has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an natural gas supplier pursuant to 66 Pa. C.S. § 2208 (c)(1).

That the Applicant herein Hudson Energy Services, LLC has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein Hudson Energy Services, LLC acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein Hudson Energy Services, LLC acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

Signature of Affiant

CHW
Approved By Legal

Sworn and subscribed before me this 25th day of April, 2018.

Signature of official administering ~~oath~~

My commission expires 07/07/19.

LIVIA FOSTER
Notary Public
STATE OF TEXAS
Notary ID#13028676-9
My Comm. Exp. July 7, 2019

Appendix B

OPERATIONS AFFIDAVIT

[Commonwealth/State] of Texas :

: ss.

County of Harris :

Charles Brent Moore, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the President (Office of Affiant) of Hudson Energy Services, LLC (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That Hudson Energy Services, LLC, the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Hudson Energy Services, LLC, the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render natural gas supply service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That Hudson Energy Services, LLC the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 22 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28 shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional natural gas sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

Appendix B (Continued)

That Hudson Energy Services, LLC, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506 and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

Signature of Affiant

Sworn and subscribed before me this 24th day of April, 2018.

Signature of official administering oath

My commission expires 1.17.19.

CHRISTIANNE ROBINSON
Notary Public
STATE OF TEXAS
Notary ID# 12849472-5
My Comm. Exp. Jan 17, 2019

Certificate of Service (Appendix C)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hudson Energy Services, LLC Application For Approval to Offer, Render, Furnish Or Supply Natural Gas Supply Services As a Supplier or Aggregator to The Public in The Commonwealth of PA	: : : : :	Docket No. A-2018-____________

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of Hudson Energy Services, LLC's Natural Gas Supplier Application and all NON-CONFIDENTIAL attachments via First Class Mail in accordance with the requirements of 52 Pa. Code § 1.54 et seq., upon the following:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2 West
Harrisburg, PA 17120

Columbia Gas of Pennsylvania, Inc.
Michele Caddell
290 W. Nationwide Blvd.
Columbus, OH 43215

Peoples Natural Gas – Equitable Division
Lynda W. Petrichevich
375 North Shore Drive
Pittsburgh, PA 15212

Peoples Natural Gas Company LLC
Lynda W. Petrichevich
375 North Shore Drive
Pittsburgh, PA 15212

PECO Energy Company
Carlos Thillet, Manager, Gas Supply and Transportation
2301 Market Street, S9-2
Philadelphia, PA 19103

Peoples Gas Company
Lynda W. Petrichevich
375 North Shore Drive
Pittsburgh, PA 15212

UGI Central Penn Gas, Inc.
David Lahoff
2525 N. 12th Street, Suite 360
Reading, PA 19612-2677

UGI Utilities, Inc. – Gas Division
David Lahoff
2525 N. 12th Street, Suite 360
Reading, PA 19612-2677

UGI Penn Natural Gas, Inc.
David Lahoff
2525 N. 12th Street, Suite 360
Reading, PA 19612-2677

Date: May 21, 2018

John F. Povilaitis

Tax Certification Statement (Appendix D)

Filed separately under seal of confidentiality as
Confidential Exhibit 4

Disclosure Statement (Appendix E)

Appendix E

Sample Disclosure Statement Format for Natural Gas Suppliers

This is an agreement for natural gas services, between (*NGS name*) and (*customer's name and full address*).

Background

We at (*NGS name*) are licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas services in Pennsylvania. Our PUC license number is (*A-XXXX-XXXXXXX*).

- Commodity prices and charges are set by the natural gas supplier you have chosen. The Public Utility Commission regulates distribution or delivery prices and services.

  Include one of the two following options:

  - ☐ You will receive a single bill from (*billing agent name*) that will contain (*NGDC name*) charges and (*NGS name*) charges.
  - ☐ You will receive a separate bill from (*NGS name*) for generation charges and a separate bill from (*NGDC name*) for its charges.

- Right of Rescission - you may cancel this agreement at any time before midnight of the third business day after receiving this disclosure. You can contact us by phone, in writing or electronically (if available) to cancel this agreement. See Section (*X*) for how to contact us.

Definitions

Define any terms that may not be commonly understood by consumers. See the glossary on www.pagasswitch.com for standard definitions.

- Commodity charges: *The charges for basic gas supply service which is sold either by volume (Ccf or Mcf) or heating value (Dekatherms).*
- Nonbasic Charges - *Define each nonbasic service being offered.*

Terms of Service

1. **(a) Basic Service Prices -** *Itemize Basic Services you are billing for and their prices.*

Include one of the following options:

FIXED PRICE: You will pay (NGS Price) per (McflDth/ccf) for the commodity of natural gas.

- *Explain what is included in this price. The NGS's basic service price should include everything that is included in the NGDC's Price-to-Compare. Suggested language:* "This price includes natural gas commodity charges, estimated Total State Taxes, but excludes applicable state and local Sales Tax."

VARIABLE PRICE: You will pay a variable price that can change (*monthly, quarterly, etc.*). The price for the first billing period will be (NGS price).

- *Explain what is included in this price. The NGS's basic service price should include everything that is included in the NGDC's Price-to-Compare. Suggested language:* "This price includes natural gas commodity charges and estimated Total State Taxes, but excludes applicable state and local Sales Tax."

- *Suppliers are to include any variable pricing conditions and limits. If there are no limits, the NGS shall clearly and conspicuously state that there is no limit on how much the price may change from one billing cycle to the next. Information on the limits of price variability,* or *the lack of limits, must appear in* a *larger type size. The customer also needs to be informed of when and how they will receive notification of price changes. For example, if the customer is not going to be notified of price changes until the new price appears on their bill, the customer should be informed of this. If the customer will be receiving advance notice of price changes, the customer should be told when and how these notices will be provided.*

- More information about this variable price product, including what this price has been for the past 24 months, can be found at (*www.companywebsite.com*) or you can call (*(XXX) XXX-XXXX*). However, please remember that past prices do not indicate present or future prices.

INTRODUCTORY PRICE: You will pay an Introductory Price of (*NGS Price*) per (*Mcf/Dth/ccf*) for the commodity of natural gas for the first XX months/billing cycles. After this Introductory Price expires, you will pay (*NGS Price*) per (*Mcf/Dth/ccf*) for the commodity of natural gas.

- *Explain what is included in this price. The NGS's basic service price should include everything that is included in the NGDC's Price-to-Compare. Suggested language:* "This price includes natural gas commodity charges and estimated Total State Taxes, but excludes applicable state and local Sales Tax."

  If the price is variable, the information found above concerning VARIABLE PRICES must be included.

(b) Other Basic and Nonbasic Service Prices - *Itemize other Basic and Nonbasic Services you are offering and their prices. This includes any monthly fees, if applicable.*

2. Length of Agreement

Include one of the following two options:

Fixed Duration/Length Agreement — You will buy your natural gas commodity service for the above address from (*NGS*) beginning on the date set by your Natural Gas Distribution Company (NGDC) and will continue for (*XX*) months (or billing cycles).

Month-to-Month Agreement — You will buy your natural gas commodity service for the above street address from (*NGS*) beginning on the date set by your Natural Gas Distribution Company (NGDC) and will continue on a month to month basis until cancelled by either the customer or (NGS). See Section (*X*) for how to cancel this agreement.

3. **Special Terms and Conditions -** *List and explain all that apply.*
Sign-up bonuses
Add-ons
Limited time offers
Other Sales Promotions
Exclusions

4. **Special Services -** *Provide explanation of price, terms and conditions, if applicable.*

5. **Penalties, Fees and Exceptions -** *List any that apply, including* a *late payment charge. Penalties/Fees assessed on a customer for early termination of the agreement should be in plain language and easy for the customer to understand. The penalty/fee should be listed as a dollar amount or explained so that the customer can easily determine the amount of the penalty. The print size for this section must be larger than the print in the rest of the agreement.*

6. **Cancellation Provisions -** *This category may consist of both customer initiated cancellation provisions and supplier initiated cancellation provisions.*

7. Agreement Expiration/Change in Terms

If you have a fixed duration contract approaching the expiration date, or whenever we propose to change the terms of service, you will receive two separate written notifications, the first approximately 60 to 75 days in advance and the second 45 days in advance of either the expiration date or the effective date of the proposed changes. These notifications will explain your options going forward.

8. Dispute Procedures

Contact us with any questions concerning our terms of service. See Section (*X*) for contact information.

9. Contract Assignment

If the contract is assignable, the NGS needs to include a section informing the customer of this possibility. The customer should be informed that contract terms and conditions remain unchanged under an assignment, and that the customer will receive prior notification of any subsequent assignment. If an assignment occurs, the NGS shall provide notice to the affected customer, the affected NGDC and the Commission. The customer notice must include the name of the new NGS, the contact information for the new NGS and language informing the customer that contract terms and conditions remain unchanged. See 52 Pa. Code 62.75(j).

10. Contact Information

Supplier Name:

Address:

Phone Number:

Internet Address:

11. Information about shopping for a Natural Gas Supplier is available from:

Pennsylvania Public Utility Commission (PUC)
400 North Street, Harrisburg PA 17120
1-800-692-7380
www.pagasswitch.com

Pennsylvania Office of Consumer Advocate
www.oca.state.pa.us

Natural Gas Supplier Contract Summary

Natural Gas Supplier Information	*Name, telephone number, website, etc. Plain language statement that NGS is responsible for gas commodity/supply charges.*
Natural Gas Price Structure	*Fixed, variable or other. If variable, based on what? If variable, how often is the price expected to vary? If variable, give any applicable ranges/ceilings. If no ranges/ceilings, a plain language statement indicating this fact. If variable, describe when the customer will receive notification of price changes in relation to time of month, final monthly meter read, billing cycle or when the price takes effect.*
Natural Gas Supply Price	*$/unit or ¢/unit. If variable price, the first billing cycle's rate. Full disclosure of any introductory rate. If a monthly fee, disclose the amount and that it is in addition to the usage charges.*
Statement Regarding Savings	*Plain language that the supply price may not always provide savings to the customer.*
Deposit Requirements	*Any deposit requirements necessary for a customer and any terms associated with that deposit, in plain language.*
Incentives	*Any bonuses, discounts, cashback, offers, etc. and any associated terms, criteria and conditions, in plain language.*
Contract Start Date	*Plain language regarding the approximate start of NGS service.*
Contract Duration/Length	*In months, billing cycles, etc.*
Cancellation/Early Termination Fees	*Yes or no. If yes, describe the amount of the fee and how to avoid that fee, if possible.*
End of Contract	*Treatment of customer at the end of contract in plain language.*

Publication Notice for NGS Only (Appendix F)

PROOF OF PUBLICATION
In
THE ERIE TIMES-NEWS

COMBINATION EDITION

BUCHANAN INGERSOLL & ROONEY PC
409 N SECOND ST SUITE 500
HARRISBURG PA 17101-1357

REFERENCE: 102944 306962
PUC Notice

STATE OF PENNSYLVANIA)
COUNTY OF ERIE) SS:
Jennifer L. Trott, being duly sworn, deposes and says that: (1) he/she is a designated agent of the Times Publishing Company (TPC) to execute Proofs of Publication on behalf of the TPC; (2) the TPC, whose principal place of business is at 205 W. 12th Street, Erie, Pennsylvania, owns and publishes the Erie Times-News, established October 2, 2000, a daily newspaper of general circulation, and published at Erie, Erie County Pennsylvania; (3) the subject notice or advertisement, a true and correct copy of which is attached, was published in the regular edition(s) of said newspaper on the date(s) referred to below. Affiant further deposes that he/she is duly authorized by the TPC, owner and publisher of the Erie Times-News, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

PUBLISHED ON: 03/15/18

TOTAL COST: $610.00 AD SPACE: 0 Lines

FILED ON: 03/15/18

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

*Application of **Hudson Energy Services, LLC** For Approval To Offer, Render, or Furnish Natural Gas Services as a **Supplier or Aggregator** Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*

Hudson Energy Services, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a supplier or aggregator of natural gas engaged in the business of providing natural gas services. **Hudson Energy Services, LLC** proposes to sell natural gas and related services in the service areas of Columbia Gas of PA, Inc., PECO Gas, Peoples Gas Company, The Peoples Natural Gas Company, Peoples Natural Gas – Equitable Division, UGI Central Penn Gas, UGI Utilities, Inc., and UGI Penn Natural Gas under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Hudson Energy Services, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Hudson Energy Services, LLC's** attorney at the address listed below.

Hudson Energy Services, LLC
c/o John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101
717 237 4825
717 233 0852 Fax

EP-306962

Sworn to and subscribed before me this 15th day of March 2018

Affiant: Jennifer L Trott

NOTARY: Barbara J Moore

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Barbara J. Moore, Notary Public
City of Erie, Erie County
My Commission Expires March 23, 2020
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

PA MEDIA GROUP

The Patriot News

LEGAL AFFIDAVIT

AD#: 0008564845

Commonwealth of Pennsylvania,) ss
County of Cumberland)

Victoria Soto being duly sworn, deposes that he/she is principal clerk of PA Media Group; that The Patriot News is a public newspaper published in the city of Mechanicsburg, with general circulation in Cumberland and Dauphin and surrounding counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

The Patriot News 03/15/2018

V Soto

Principal Clerk of the Publisher

Sworn to and subscribed before me this 16th day of March 2018

Donna M. Maldonado

Notary Public

Commonwealth of Pennsylvania - Notary Seal
Donna M. Maldonado, Notary Public
Dauphin County
My commission expires November 5, 2021
Commission number 1252842
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of **Hudson Energy Services, LLC** For Approval To Offer, Render, or Furnish Natural Gas Services as a **Supplier or Aggregator** Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.

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The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Hudson Energy Services, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Hudson Energy Services, LLC's** attorney at the address listed below:

Hudson Energy Services, LLC
c/o John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101
717 237 4825
717 233 0852 Fax

Proof of Publication in The Philadelphia Daily News
Under Act. No 587, Approved May 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

Helene Sweeney being duly sworn, deposes and says that **The Philadelphia Daily News** is a newspaper published daily, except Sunday, at Philadelphia, Pennsylvania, and was established in said city in 1925, since which date said newspaper has been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said newspaper on the following dates:

March 15, 2018

Affiant further deposes and says that she is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Helene Sweeney

Sworn to and subscribed before me this 15th day of March, 2018.

Cindy Jakubowski
Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
CINDY JAKUBOWSKI, Notary Public
City of Philadelphia, Phila. County
My Commission Expires November 30, 2020

Copy of Notice of Publication

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

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The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Hudson Energy Services, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Hudson Energy Services, LLC's** attorney at the address listed below.

Hudson Energy Services, LLC
c/o John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101
717 237 4825
717 233 0852 Fax

No.________________________ Term,____________

Proof of Publication of Notice in Pittsburgh Post-Gazette

Under Act No 587, Approved May 16, 1929, PL 1784, as last amended by Act No 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss K. Flaherty, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

14 of March, 2018

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette, that, as such agent, affiant is duly authorized to verify the foregoing statement under oath, that affiant is not interested in the subject matter of the afore said notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

K Flaherty

PG Publishing Company

Sworn to and subscribed before me this day of:
March 14, 2018

Elizabeth R Chmura

Commonwealth of Pennsylvania - Notary Seal
Elizabeth R. Chmura, Notary Public
Allegheny County
My commission expires February 8, 2022
Commission number 1326781
Member, Pennsylvania Association of Notaries

STATEMENT OF ADVERTISING COSTS

Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
ATTN: Gina Myers
HARRISBURG PA 17101-1357

To PG Publishing Company

Total --- $480.50

Publisher's Receipt for Advertising Costs

PG PUBLISHING COMPANY, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforsaid advertising and publication costs and certifies that the same have been fully paid.

Office
2201 Sweeney Drive
CLINTON, PA 15026
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of Pittsburgh Post-Gazette, a Newspaper of General Circulation

By ______________ Samuel J. Arbutina

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

____
Attorney For

COPY OF NOTICE OR PUBLICATION

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of Hudson Energy Services, LLC For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.

Hudson Energy Services, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a supplier or aggregator of natural gas engaged in the business of providing natural gas services. Hudson Energy Services, LLC proposes to sell natural gas and related services in the service areas of Columbia Gas of PA, Inc., PECO Gas, Peoples Gas Company, The Peoples Natural Gas Company, Peoples Natural Gas - Equitable Division, UGI Central Penn Gas, UGI Utilities, Inc., and UGI Penn Natural Gas under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Hudson Energy Services, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to Hudson Energy Services, LLC's attorney at the address listed below.

Hudson Energy Services, LLC, c/o John F. Povilaitis, Buchanan Ingersoll & Rooney PC, 409 N. Second Street, Suite 500, Harrisburg, PA 17101, 717 237 4825, 717 233 0852 Fax

The Scranton Times (Under act P.L. 877 No 160. July 9,1976)

Commonwealth of Pennsylvania, County of Lackawanna

BUCHANAN INGERSOLL & ROONEY PC
GINA Y. MYERS
SUITE 500 409 NORTH SECOND STREET
HARRISBURG PA 17101-1503

Account # 444276
Order # 82189738
Ad Price: 269.35

HUDSON ENERGY SERVICES
Ann Marie Fortese
Being duly sworn according to law deposes and says that (s)he is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

03/14/2018

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true Ann Marie Fortese

Sworn and subscribed to before me
this 14th day of March A.D., 2018

Sharon Venturi
(Notary Public)

Commonwealth of Pennsylvania - Notary Seal
Sharon Venturi, Notary Public
Lackawanna County
My commission expires February 12, 2022
Commission number 1254228
Member, Pennsylvania Association of Notaries

LEGAL NOTICE

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

*Application of **Hudson Energy Services, LLC** For Approval To Offer, Render, or Furnish Natural Gas Services as a **Supplier or Aggregator** Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*

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The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Hudson Energy Services, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Hudson Energy Services, LLC's** attorney at the address listed below.

Hudson Energy Services, LLC
c/o John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101
717-237-4825
717-233-0852 Fax

PROOF OF PUBLICATON OF NOTICE IN THE WILLIAMSPORT

SUN-GAZETTE UNDER ACT NO. 587, APPROVED MAY 16, 1929

STATE OF PENNSYLVANIA

COUNTY OF LYCOMING SS:

Bernard A. Oravec, Publisher of the Sun-Gazette LLC publishers of the Williamsport Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions of said Williamsport Sun-Gazette on the following dates, viz:

March 16, 2018

Affiant further deposes that he is an officer daily authorized by the Sun-Gazette LLC, publisher of the Williamsport Sun-Gazette, to verify the foregoing statement under oath and declare that affiant is not interested in the subject matter of the aforesaid notice of publication, and that all the allegations in the foregoing statement as to time, place and character of publication are true.

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of ***Hudson Energy Services, LLC*** *For Approval To Offer, Render, or Furnish Natural Gas Services as a* ***Supplier or Aggregator*** *Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*

Hudson Energy Services, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a supplier or aggregator of natural gas engaged in the business of providing natural gas services. **Hudson Energy Services, LLC** proposes to sell natural gas and related services in the service areas of Columbia Gas of PA, Inc., PECO Gas, Peoples Gas Company, The Peoples Natural Gas Company, Peoples Natural Gas – Equitable Division, UGI Central Penn Gas, UGI Utilities, Inc., and UGI Penn Natural Gas under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Hudson Energy Services, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Hudson Energy Services, LLC's** attorney at the address listed below.

Hudson Energy Services, LLC
c/o John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101
717 237 4825
717 233 0852 Fax

SUN-GAZETTE LLC

Sworn to and subscribed before me

The 16th day of March 2018

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
BETH A MILLER
Notary Public
CITY OF WILLIAMSPORT, LYCOMING COUNTY
My Commission Expires Apr 18, 2020

Notary Public

STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette LLC, Dr.:

For publishing the notice attached

Hereto on the above state dates..........$286.08

Probated same..........................$

Total....................................$286.08

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

THE SUN-GAZETTE LLC hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid

SUN-GAZETTE LLC

BY Bernard A. Oravec

COMMONWEALTH OF PENNSYLVANIA
County of Cambria } SS

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

*Application of **Hudson Energy Services, LLC** For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*

Hudson Energy Services, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a supplier or aggregator of natural gas engaged in the business of providing natural gas services. **Hudson Energy Services, LLC** proposes to sell natural gas and related services in the service areas of Columbia Gas of PA, Inc., PECO Gas, Peoples Gas Company, The Peoples Natural Gas Company, Peoples Natural Gas – Equitable Division, UGI Central Penn Gas, UGI Utilities, Inc., and UGI Penn Natural Gas under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Hudson Energy Services, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Hudson Energy Services, LLC's** attorney at the address listed below.

Hudson Energy Services, LLC
c/o John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101
717 237 4825
717 233 0852 Fax

On this 14th day of March A.D. 2018, before me, the subscriber, a Notary Public in and for said County and State, personally appeared Christine Marhefka, who being duly sworn according to law, deposes and says as Sales Manager / Major Accounts of the Tribune-Democrat, Johnstown, PA, a newspaper of general circulation as defined by the "Newspaper Advertising Act", a merger September 8, 1952, of the Johnstown Tribune, established December 7, 1853; and of the Johnstown Democrat, established March 5, 1863,

published c … *of Cambria, and Commonwealth of Pennsylvania and*
that the an … *matter published in said publication in the regular issues*
of The Joh … *on March 14, 2018; and that the Affiant is not interested*
in the subj … *hat all of the allegations as to time, place and character*
of said pul

Christine Marhefka

STATEMENT OF ADVERTISING COSTS

Signed and sworn to before me on
14th day of March, 2018,
by Christine Marhefka making the statement.

Vivian Ohs

0.00 Lines @ $2.50 per line	0.00
7 Inches @ $25.00 per inch	175.00
Notary Fee	5.00
Clerical Fee	2.50
Total Cost	182.50

Commonwealth of Pennsylvania - Notary Seal
Vivian Ohs, Notary Public
Cambria County
My commission expires December 6, 2020
Commission number 1123017
Member, Pennsylvania Association of Notaries

To The Tribune-Democrat, Johnstown, PA
For publishing the notice or publication attached hereto on the above stated dates.

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

______________________ for publisher of ________________________
a newspaper of general circulation, hereby acknowledges receipt of the aforesaid and publication costs and certifies that the same has been duly paid.

____
(Name of Newspaper)

By____________________________

Publication Notice for Combined EGS and NGS (Appendix G)

Not Applicable

Appendix G
EXAMPLE FORM OF NOTICE FOR COMBINED EGS AND NGS

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Applications of ***Company Name*** *(d/b/a "****Trade Name****") For Approval To Offer, Render, or Furnish Services as a* ***Supplier, Aggregator, and Marketer/Broker*** *Engaged In The Business Of Supplying Natural Gas Supply Services and Electricity Supply or Electric Generation Services, To The Public In The Commonwealth Of Pennsylvania.*

Company Name will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a supplier of natural gas, and (2) a broker/marketer engaged in the business of providing natural gas services. **Company Name** will also be filing an application with the PUC for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. **Company Name** proposes to sell electricity, natural gas, and related services [LIST NGDCSs AND EDCS HERE] under the provisions of the new Natural Gas Choice and Competition Act and the Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Company Name** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Company's Name** attorney at the address listed below.

By and through Counsel: Attorney's Name

Company Name
Address
Address
Phone
FAX

Electronic Data Interchange Contacts (Appendix H)

Not applicable

Appendix H

Electronic Data Interchange and Internet Requirements

Any NGS suppliers and/or broker/marketers that wish to use the Electronic Data Interchange (EDI), in the NGDCs where its available, must meet the EDI certification requirements of the NGDC. Certification is a testing process using the Commission approved Internet protocol. To initiate this process, the NGS is encouraged to contact the NGDC as early as possible after filing an application for a license with the Commission, since certification may require as many as four months to complete and customer service contract dates may not commence prior to certification. NGDC requirements of new suppliers may be found on the respective NGDC home web page. Pennsylvania's industry stakeholder group the Electronic Data Exchange Working Group (EDEWG) develops and maintains the EDI transactions and related business practices, which are found on the Pa. PUC website at http://www.puc.pa.gov/filing_resources/issues_laws_regulations/electronic_data_exchange.aspx. The EDEWG meets telephonically the first Thursday of each month at 2:00pm ET to discuss EDI change control requests and other issues.

To keep current with Pennsylvania EDI practices and policies, a newly licensed NGS may choose to participate in the EDEWG by contacting the following:

PA EDEWG EDI Contacts

Entity Name	Contact Name	Telephone	Email	Preference
PA PUC PA PUC	Jeff McCracken Lee Yalcin	717-783-6163 717-787-6723	jmccracken@pa.gov lyalcin@pa.gov	Email Email
PA EDEWG LDC Co-Chair	Ernie Mathie	330-384-5757	mathiee@firstenergycorp.com	Email
PA EDEWG ESP Co-Chair	Christine Hughey	713-963-3640	chughey@sperianenergy.com	Email
PA EDEWG Secretary & Regional EDI Change Control Manager	Brandon Siegel	412-817-8004	brandon.siegel@intelometry.com	Email

PA NGDC EDI Contacts

Company Name	Contact Name	Telephone	Email	Preference
PGW	PGW Gas Choice		pgwchoicemarketing@pgworks.com	Email
UGI Utilities Inc.	EDI Technical Support		edi@ugi.com	Email
UGI Utilities Inc.	David Lahoff	610-796-3520	dlahoff@ugi.com	email

Attachment 1

Proof of Compliance with appropriate Departments of State filing requirements

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

03/01/2018

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY THAT,

Hudson Energy Services, LLC

is duly registered to do business under the laws of the Commonwealth of Pennsylvania and remains a registered Foreign Limited Liability Company so far as the records of this office show, as of the date herein.

I DO FURTHER CERTIFY THAT this Certificate of Registration shall not imply that all fees, taxes and penalties owed to the Commonwealth of Pennsylvania are paid.

SECRETARY OF THE COMMONWEALTH PENNSYLVANIA

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written

Robert Torres

Acting Secretary of the Commonwealth

Certification Number: TSC180301182047-1

Verify this certificate online at http://www.corporations.pa.gov/orders/verify

Attachment 2

The state in which the business in incorporated/organized/formed and provide a copy of the Applicant's charter documentation

NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES

CERTIFICATE OF FORMATION

HUDSON ENERGY SERVICES LLC
0400015448

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 09/01/2002 and was assigned identification number 0400015448. Following are the articles that constitute its original certificate.

LLC

1. Name:
HUDSON ENERGY SERVICES LLC

FILED
SEP 1 2002
STATE TREASURER

2. The Registered Agent:
LEAH KLEIN

3. The Registered Office:
146 PENNINGTON AVE
PASSAIC, NJ 07055

4. Business Purpose:
Miscellaneous Service

5. Members/Managers:
ABE GROHMAN
24 CORTLAND ROAD
MONSEY, NJ 10952
DAVID ROSENBERG
56 FORSHAY ROAD
MONSEY, NY 10952

6. The Main Business Address:
24 CORTLAND ROAD
MONSEY, NY 10952

Signatures:
KERRY WALSH
AUTHORIZED REPRESENTATIVE

Continued on next page ...

0400015448

NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES

CERTIFICATE OF FORMATION

HUDSON ENERGY SERVICES LLC
0400015448

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 09/03/2002

John E McCormac, CPA
Treasurer of the State of New Jersey

AMC

FILED

NOV 20 2003

State Treasurer

New Jersey Division of Revenue

Certificate of Amendment

Limited Liability Company

This form may be used to amend a Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury. Applicants must insure strict compliance with NJSA 42, the New Jersey Limited Liability Act, and insure that all applicable filing requirements are met.

1. Name of Limited Liability Company:
   Hudson Energy Services LLC
2. Identification Number:
   0400015448
3. New LLC Name (if applicable):
4. Effective Date:
   Upon filing
5. The Certificate of Formation is amended as follows (provide attachments if needed):
   David Rosenberg has resigned as a Member/Manager.

   The Sole Member/Manager is:
   Abe Grohman
   24 Cortland Road
   Monsey, New York 10952

   The Main Business Address of the Company is:
   545 Route 17 South
   Ridgewood, New Jersey 07450

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form behalf of the Limited Liability Company.

Signature: Abe Grohman

Name: Abe Grohman

Date: 11-19-03

0400015448

S1328243
J2546448

RST

FILED
APR 1 0 2006
STATE TREASURER

L-112 (4/94)

New Jersey Division of Revenue

Restated and Amended Certificate of Formation

(For use by a Limited Liability Company)

This form may be used to restate and integrate, AND FURTHER AMEND, the Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury, as supplemented and amended by any instrument that was executed and filed pursuant NJSA 42.

1. Name of Limited Liability Company: Hudson Energy Services LLC
2. Identification Number: (10 digit) 0400015448
3. New LLC Name: (If applicable)
4. Other Provisions:
5. The Restated Certificate of Formation is amended as follows: (Use attachments if required)
   See Schedule A attached hereto and made a part hereof.
6. Attachments:

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form on behalf of the LLC.

Signature Abraham Grohman   Date April 7, 2006

Name Abraham Grohman

NJ Division of Revenue, PO Box 308, Trenton NJ 08625
Instructions

S1683550
T316-0130 T316-0130

0400015448.

Schedule A to
New Jersey Division of Revenue
Restated and Amended Certificate of Formation
(For use by a Limited Liability Company)
For
Hudson Energy Services LLC

1. The name of the Limited Liability Company is Hudson Energy Services LLC (the "Company").

2. The identification number for the Company is 0400015448.

3. The Company was formed on September 1, 2002.

4. The Registered Agent for the Company is Leah Klein.

5. The Registered Office Address is 146 Pennington Avenue, Passaic, New Jersey 07055.

6. The Main Business Address of the Company is 545 Route 17 South, Ridgewood, New Jersey 07450.

7. The Company shall have Perpetual Existence.

8. The business purpose of the Company shall to engage in any activity within the purposes for which limited liability companies may be organized under N.J.S.A. 42.

9. The Sole Member of the Company is as follows:

Name	Address
Hudson Parent Holdings LLC	545 Route 17 South Ridgewood, New Jersey 07450

1042522v.3 20060-0005-000

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form on behalf of the LLC.

Abraham Grohman

Abraham Grohman

April 7, 2006

Jun 3 2009 11:55

06/03/2009 10:53 6095381130 CT CORPORATION PAGE 02/02

Amc

FILED
JUN 0 3 2009
STATE TREASURER

L-102 NJSA 42 (2/94)

New Jersey Division of Revenue

Certificate of Amendment

Limited Liability Company

0400015448

This form may be used to amend a Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury. Applicants must insure strict compliance with NJSA 42, the New Jersey Limited Liability Act, and insure that all applicable filing requirements are met.

1. Name of Limited Liability Company:
   Hudson Energy Services LLC
2. Identification Number:
   0400015448
3. New LLC Name (if applicable):
4. Effective Date:
5. The Certificate of Formation is amended as follows (provide attachments if needed):
   The Restated and Amended Certificate of Formation is amended as follows:

   Schedule A
   No. 9 listing the name and address of the Sole Member of the Company should be deleted in its entirety and no replacement should be in its place.

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form behalf of the Limited Liability Company.

Signature: Cindy Oberdorff

Name: Cindy Oberdorff, Authorized Signatory

Date: 6/3/09

S2164302

NJ Division of Revenue, PO Box 308, Trenton, NJ 08646

NJ066 - 07/12/2005 C T System Online

J3965656

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

HUDSON ENERGY SERVICES LLC
0400015448

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the
Certificate Of Formation
Amendments
And Restated Certificate
as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 30th day of April, 2010

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 117011265
Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Attachment 3
Name and address of officers

Director	Name of Officer	Position	Contact information
Patrick McCullough			5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.933.0895
James Brown			5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.544.8191
	Patrick McCullough	Chief Executive Officer	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.933.0895
	James Brown	Chief Financial Officer	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.544.8191
	Brent Moore	President	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.850.6791 x78791
	Morgan Smith	Chief Sales Officer	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.881.8641
	Jonah Davids	EVP, General Counsel and Corporate Secretary	6345 Dixie Road, Suite 400 Mississauga, Ontario L5T 2E6 Ph: 905-670-4440 x 72574
	Krishnan Kasiviswanathan	Chief Commercial Officer	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 905.670.4440 x78101
	Rick Bluntzer	SVP, Global Regulatory Affairs	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713-933-0779
	Lu Zhang	SVP Finance, Tax and Treasury	6345 Dixie Road, Suite 400 Mississauga, Ontario L5T 2E6 Ph: 416-367-2554
	Rad Brannan	VP, Business Information Systems	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713.933.0636
	Chris Crear	VP, Sales	5251 Westheimer Road, Suite 1000, Houston, Texas 77056 Ph: 713-881-8548

Attachment 4

"Jurisdictions of Operation"

Affiliate	Province/State	License Type	License Order/Docket #
Hudson Energy Canada Corp.	Alberta	Electric	331458
Hudson Energy Canada Corp.	Alberta	Gas	331459
Just Energy Alberta L.P.	Alberta	Gas	325637
Just Energy Alberta L.P.	Alberta	Electricity	325638
Just Energy Alberta L.P.	Alberta	Direct Seller	345191
Just Energy (B.C.) Limited Partnership	British Columbia	Gas	A-16-15
Just Energy Solutions Inc.	California	Electric	1092
Just Energy Solutions Inc.	California	Gas	CTA0010
Hudson Energy Services, LLC	Connecticut	Gas	12-04
Just Energy Solutions Inc.	Delaware	Electric	Order No. 7330
Just Solar Holdings Corp.	Delaware		File number: 5666263
Just Energy Solutions Inc.	Georgia	Gas	GM-30
Just Energy Illinois Corp.	Illinois	Gas	Docket 03-0720
Just Energy Solutions Inc.	Illinois	Electric	Docket 06-0723
Just Energy Solutions Inc.	Illinois	Gas	Docket 07-0501
Hudson Energy Services, LLC	Illinois	Electric	Docket 07-0455
Just Energy Indiana Corp.	Indiana	Gas	No license requirement
Just Energy Manitoba L.P.	Manitoba	Gas	622
Just Energy Solutions Inc.	Maryland	Electric	IR-639
Just Energy Solutions Inc.	Maryland	Gas	IR-737
Hudson Energy Services, LLC	Maryland	Electric	IR-1114
Hudson Energy Services, LLC	Maryland	Gas	IR-1120
Just Energy Massachusetts Corp.	Massachusetts	Electric	CS-069
Hudson Energy Services, LLC	Massachusetts	Electric	CS-061
Hudson Energy Services, LLC	Massachusetts	Gas	GS-034
Just Energy Solutions Inc.	Michigan	Electric	U-13203
Just Energy Michigan Corp.	Michigan	Gas	U-15980

Affiliate	Province/State	License Type	License Order/Docket #
Just Energy Solutions Inc.	Nevada	Gas	G-13
Just Energy Solutions Inc.	New Jersey	Gas	GSL-0116
Just Energy Solutions Inc.	New Jersey	Electric	ESL-0046
Hudson Energy Services, LLC	New Jersey	Gas	GSL- 0069
Hudson Energy Services, LLC	New Jersey	Electric	ESL - 0083
Fulcrum Retail Energy New York, LLC	New York	Electric	Approved ESCO
Fulcrum Retail Energy New York, LLC	New York	Gas	Approved ESCO
Just Energy New York Corp.	New York	Electricity	Approved ESCO
Just Energy New York Corp.	New York	Gas	Approved ESCO
Just Energy Solutions Inc.	New York	Electricity	Approved ESCO
Just Energy Solutions Inc.	New York	Gas	Approved ESCO
Hudson Energy Services, LLC	New York	Gas	Approved ESCO
Hudson Energy Services, LLC	New York	Electric	Approved ESCO
Just Energy Solutions Inc.	Ohio	Electric	Certificate 01-74E (8)
Just Energy Solutions Inc.	Ohio	Gas	Certificate 02-023
Hudson Energy Services, LLC	Ohio	Gas	Certificate 12-271G (3)
Hudson Energy Services, LLC	Ohio	Electric	Certificate 12-538 E (3)
Universal Energy Corporation	Ontario	Electricity	ER-2016-0332
Universal Energy Corporation	Ontario	Gas	GM-2016-0261
Just Energy Ontario L.P.	Ontario	Gas	GM-2015-0119
Just Energy Ontario L.P.	Ontario	Electricity	ER-2015-0118
Hudson Energy Canada Corp.	Ontario	Electricity	ER-2015-0125
Hudson Energy Canada Corp.	Ontario	Gas	GM-2015-0124
Just Energy New York Corp.	Ontario	Electric Wholesaler	EW-2014-0229
Just Energy Solutions Inc.	Ontario	Electric Wholesaler	EW-2016-0149
Just Energy Solutions Inc.	Pennsylvania	Electric (PECO)	A-110117
Just Energy Solutions Inc.	Pennsylvania	Gas (PECO)	A-125138
Just Energy Pennsylvania Corp.	Pennsylvania	Gas (Columbia)	A-2009-2098011

Affiliate	Province/State	License Type	License Order/Docket #
Just Energy Pennsylvania Corp.	Pennsylvania	Electric (Duquesne)	A-2009-2097544
Hudson Energy Services, LLC	Pennsylvania	Electric	A-2010-2192137
Interactive Energy Group LLC	Pennsylvania	Gas	A-2017-2634175
Interactive Energy Group LLC	Pennsylvania	Electric	A-2017-2635016
Just Energy Quebec L.P /Juste Energie Quebec S.E.C	Quebec	Gas	No license requirement
Hudson Energy Canada Corp./Energie Hudson Canada	Quebec	Gas	No license requirement
Hudson Energy Canada Corp.	Saskatchewan	Gas	No license requirement
Just Energy Prairies L.P.	Saskatchewan	Direct Seller	Direct Sellers license # 328505
Fulcrum Retail Energy , LLC	Texas	Electric	REP Certification No. 10081
Just Energy Texas L.P.	Texas	Electric	REP Certification No. 10052
Hudson Energy Services, LLC	Texas	Electric	REP Certification No. 30061
Tara Energy, LLC	Texas	Electric	REP Certification No. 10052
Just Energy Solutions Inc.	Virginia	Gas	G-30
Just Energy Solutions Inc.	Virginia	Electric	E-26
Just Energy U.S. Corp	US Federal	Electricity	FERC - ER10-379
Just Energy Solutions Inc.	US Federal	Electricity	FERC - ER97-4253
Just Energy New York Corp.	US Federal	Electricity	FERC - ER13-1081-000
Just Energy Illinois Corp.	US Federal	Electricity	FERC - ER13-1104-000

Attachment 5

Financial Fitness

Bond Letters

Columbia Gas of Pennsylvania
A NiSource Company

May 11, 2018

Kristina Montgomery
Hudson Energy Services, LLC
6345 Dixie Rd Ste 200
Mississauga, ON L5T 2E6 Canada

Dear Kristina Montgomery:

We are pleased that Hudson Energy Services, LLC is providing Natural Gas Supply Service on the distribution system of Columbia Gas of Pennsylvania, Inc. ("Columbia Gas").

Under Paragraph 2.4.5 of the Rules Applicable to Distribution Service section of the Tariff of Columbia Gas, Hudson Energy Services, LLC is required to provide to Columbia Gas a bond or other financial security instrument in an amount that Columbia Gas determines to be appropriate. We have determined that Hudson Energy Services, LLC has satisfied this bonding and other financial security requirement to provide Natural Gas Supply Service to Columbia Gas customers. This was conditioned on the receipt of a deposit from Hudson Energy Services, LLC in the amount of $5,000. We are acknowledging receipt of such deposit, and through this letter, Columbia Gas is notifying Hudson Energy Services, LLC that it currently meets Columbia Gas' bonding or other financial security instrument requirement under paragraph 2.4.5 of the Rules Applicable to Distribution Service section of the Tariff of Columbia Gas.

If the creditworthiness circumstances or Columbia Gas' exposure to Hudson Energy Services, LLC change in the future, Columbia Gas might deem it appropriate to require Hudson Energy Services, LLC to increase the deposit or provide a bond or other financial security instrument.

In the meantime, please feel free to contact me at 614-460-4217 if you have any questions now or in the future regarding the bond or other financial security instrument requirements of Columbia Gas.

Sincerely,

Patricia Chang

Patricia Chang
Manager of Choice and Nominations

PECO
An Exelon Company

April 17, 2018
PECO - Exelon Corporation
Energy Acquisition
2301 Market Street
Philadelphia, PA. 19101

Hudson Energy Services, LLC
Attn: Kristina Montgomery
Manager, Regulatory Affairs & Government Relations
5251 Westheimer Road, Suite 1000, Houston, TX 77056

Energy Acquisition is providing this notification letter that Hudson Energy Services, LLC has met the creditworthiness business requirement involved with the Pennsylvania Gas Choice - Low Volume Transportation program, pursuant to the receipt of an initial Surety of $35,000.00 Guaranty. The Surety may be submitted to PECO via three acceptable forms; a Cash Deposit, a Letter of Credit, or a Surety bond. PECO will hold any surety to cover potential obligations to PECO and other system costs that could result from failure of a Supplier to meet its competitive Natural Gas Supply service delivery obligations.

Please note, although the creditworthiness requirements were met, as referenced within Section 7.13 (Creditworthiness of a Natural Gas Supplier (NGS) Serving Low Volume Transportation Customers) of the Gas Service Tariff, PECO has the right to re-assess the creditworthiness of the company if PECO has any reason to suspect a change in the marketer's financial condition.

If you should have any questions regarding this matter, please contact the Electric & Gas Choice Hotline at 215-841-3700.

Sincerely,

Carol Reilly
Manager
Energy Acquisition

PEOPLES

375 North Shore Drive
Pittsburgh, Pennsylvania 15212

www.peoples-gas.com

Lynda W. Petrichevich
Vice President, Regulatory Affairs

Peoples Service Company LLC
Phone: 412-208-6528; Fax: 412-208-6577
Email: lpetrichevich@peoples-gas.com

February 1, 2018

Jim Brown
President
Hudson Energy Services, LLC
5251 Westheimer Road, STE 1000
Houston, TX 77056

Dear Mr. Brown:

We are pleased that Hudson Energy Services, LLC has applied for a license to provide natural gas services on the Peoples Group of Companies. Specifically you have requested to be licensed as a supplier on the distribution systems of Peoples Natural Gas Company LLC, Peoples Natural Gas Company LLC – Equitable Division, and Peoples Gas Company LLC (formerly Peoples TWP) ("the Companies").

Since Hudson Energy Services, LLC is not currently serving customers on the Peoples systems, we have determined at this time that Hudson Energy Services, LLC does not need a bond or other financial security requirement to provide these services to the Company's customers.

If a Pool is established, and customers are enrolled which alters the creditworthiness requirement or the Company's exposure to Hudson Energy Services, LLC provision of services on the Peoples' system changes in the future, the Companies may deem it appropriate to require a bond or other financial instrument.

If you have any questions feel free to contact me at 412-208-6528 or by email at Lynda.W.Petrichevich@peoples-gas.com.

Sincerely,

Lynda Petrichevich

Lynda W. Petrichevich
Vice President – Regulatory Affairs
Peoples Natural Gas Company LLC

Cc: Carol Scanlon
Stephen Kelly

Energy to do more®

UGI Utilities, Inc.
2525 North 12th Street
Suite 360
Post Office Box 12677
Reading, PA 19612-2677

April 3, 2018

Kristina Montgomery
Manager, Regulatory Affairs & Government Relations
Hudson Energy Services, LLC
5251 Westheimer Road, Suite 1000,
Houston, TX 77056

RE: UGI Financial Security Requirements

Dear Ms. Montgomery,

UGI Utilities, Inc. ("UGIU") has reviewed the request of Hudson Energy Services, LLC ("HUDSON ENERGY") for approval to operate as a Natural Gas Supplier. Based on this review and the requirement that HUDSON ENERGY must post security as specified in the UGI Utilities, Inc.-Gas Division ("UGI"), UGI Penn Natural Gas, Inc.("PNG") and/or UGI Central Penn Gas, Inc. ("CPG") Supplier Coordination Tariffs before it serves customers on the UGI, PNG and/or CPG distribution systems, UGIU has determined that HUDSON ENERGY has demonstrated adequate creditworthiness to satisfy any costs UGI, PNG and/or CPG may incur in the event they operate as a supplier of last resort due to a default on the part of HUDSON ENERGY.

This determination may change in the event there is a material deterioration in HUDSON ENERGY's financial condition, if HUDSON ENERGY's obligations to UGI, PNG and/or CPG exceed the amount of the financial security provided, if the financial security is withdrawn or is deemed to be null and void or inadequate due to the material financial deterioration of any guarantor, or if HUDSON ENERGY fails to abide by the terms and conditions of the UGI, PNG and/or CPG Gas Tariffs and the UGI, PNG and/or CPG Natural Gas Supplier Coordination Tariffs.

Please feel free to contact me with any additional questions that you may have. I can be reached at (610) 796-3520

Sincerely,

David E. Lahoff
Senior Manager, Tariff & Supplier Administration
UGI Utilities, Inc.

Attachment 6
Financial Fitness

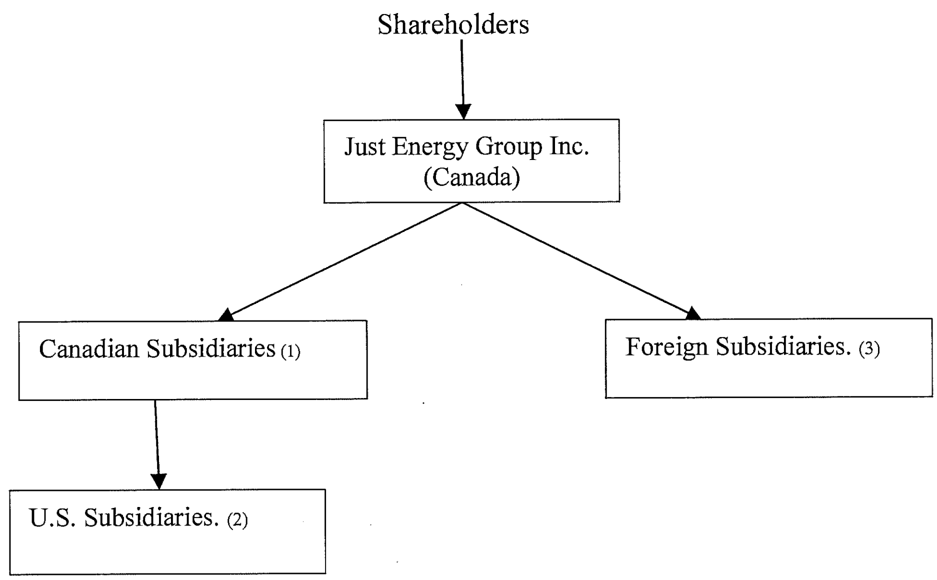
Organizational Structure

Description of the Corporate Structure

Hudson Energy Services, LLC is a Limited Liability Company and an indirect subsidiary of Just Energy Group Inc. ("Just Energy") a corporation established under the laws of Canada. Just Energy is a publicly traded corporation (NYSE:JE and TSX: JE).

Organizational Structure of the Company

The following diagram sets forth the simplified organizational structure of the Company.



Notes:

(1) The Canadian Subsidiaries are corporations, limited partnerships, and unlimited liability companies directly or indirectly wholly-owned by the Company. The Canadian operating Subsidiaries are Just Energy Ontario L.P. (Ontario); Just Energy Alberta L.P. (Alberta); Just Green L.P. (Alberta); Just Energy Manitoba L.P. (Manitoba); Just Energy (B.C.) Limited Partnership (British Columbia); Just Energy Québec L.P. (Quebec); Just Energy Prairies L.P. (Manitoba); Just Energy Trading L.P. (Ontario); and Hudson Energy Canada Corp. (Canada). Just Energy Corp. is the general partner of each of the Canadian operating limited partnerships. Additionally, the Company indirectly holds an approximate 10% fully diluted interest in ecobee Inc., a manufacturer and distributor of smart thermostats located in Toronto, Ontario.

(2) The U.S. Subsidiaries are corporations, limited liability companies and limited partnerships indirectly wholly-owned by the Company and are incorporated or formed, as applicable, under the laws of the State of Delaware, unless otherwise noted. The U.S. operating Subsidiaries are Just Energy (U.S.) Corp.; Just Energy Illinois Corp.; Just Energy Indiana Corp.; Just Energy Massachusetts Corp.; Just Energy New York Corp.; Just Energy Texas I Corp.; Just Energy Texas LP (Texas); Just Energy Pennsylvania Corp.; Just Energy

Marketing Corp.; Just Energy Michigan Corp.; Just Energy Solutions Inc.; Just Energy Limited; Fulcrum Retail Energy LLC (Texas); Tara Energy, LLC (Texas); and Just Solar Holdings Corp.

(3) Hudson Energy Holdings UK Limited and Hudson Energy Supply UK Limited are direct and indirect wholly owned subsidiaries of the Company operating in the United Kingdom. Just Insurance Limited, a Barbadian company, an indirect wholly owned subsidiary of the Company, provides self-insurance to the Company and its subsidiaries. Just Energy Germany GmbH is an indirect wholly owned subsidiary of the Company, operating in Germany. Just Energy (Ireland) Limited is an indirect wholly owned subsidiary of the Company, operating in Ireland.

Attachment 6
Financial Fitness

Attached are Just Energy's two most recent Annual Reports filed with the Canadian Securities and Exchange Commission. Hudson plans to fund its operations through existing revenue and cash flow. Financial data is maintained on a consolidated company basis and therefore cannot be produced to reflect Hudson Energy Services, LLC business only.

Just Energy's Annual Report can be found in electronic format on their investor relations website at: http://justenergygroup.com/FinancialReports/QuarterlyAnnualReports.aspx

All of Just Energy's financial reports and public disclosures can be found at: http://justenergygroup.com/

ENERGY EVOLVED

ANNUAL REPORT 2017

GROWTH IN
KEY METRICS

At Just Energy, we are guided by a clear vision of the future – of where the energy sector is going, what customers will want next and where market opportunities can be found. What sets us apart from the rest of our industry is the ability to transform that insight into action by developing effective strategies and compelling products that capitalize on change and deliver tangible results and real value to our customers and our investors.

$3,757 MILLION
in sales

$696 MILLION
in gross margin

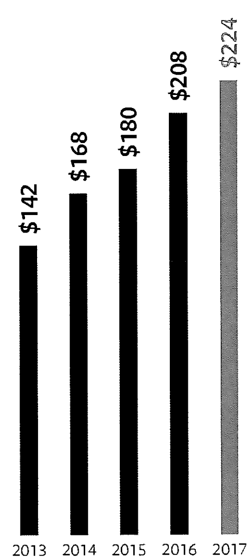
$224 MILLION
Improved Base EBITDA by 8% year over year

Established in 1997, Just Energy (NYSE:JE, TSX:JE) is a leading retail energy provider specializing in electricity and natural gas commodities, energy efficiency solutions, and renewable energy options. With offices located across the United States, Canada, the United Kingdom and Germany, Just Energy serves approximately two million residential and commercial customers, providing homes and businesses with a broad range of energy solutions that deliver comfort, convenience and control. Just Energy Group Inc. is the parent company of Amigo Energy, Green Star Energy, Hudson Energy, Just Energy Solar, Tara Energy and TerraPass.

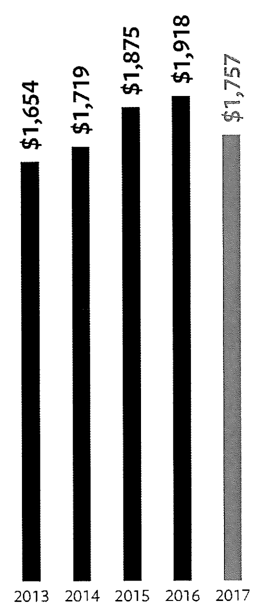
REVENUE
(C$ MILLIONS)

GROSS MARGIN
(C$ MILLIONS)

BASE EBITDA
(C$ MILLIONS)



EMBEDDED
GROSS MARGIN
(C$ MILLIONS)



Market Position

Active in 19 deregulated **utility commodity markets** in North America

3rd largest North American **residential retailer***

11th largest commercial retailer in the U.S.†

* DNV Kema Market Report, June 2015 and April 2016
† DNV GL Market Report, April 2016

AT-A-GLANCE

Just Energy is an energy management solutions provider with a diverse geographic, product and leadership position in green energy sales and product innovation.

CONSUMER

Description

- Targets residential and small commercial customers
- Operations in the U.S., Canada, the U.K. and Germany
- 1,797,000 RCEs

Main Products

- Fixed price
- Flat bill
- Variable price
- Smart thermostats
- Carbon offset solutions
- Green Energy options
- Home energy efficiency products (i.e., air filters, LED light bulbs)

Gross Margin ($ and %)

- $513 million
- 74%

COMMERCIAL

Description

- Targets mid-size commercial customers (15 RCEs or more)
- Operations in the U.S., Canada, the U.K. and Germany
- 2,405,000 RCEs

Main Products

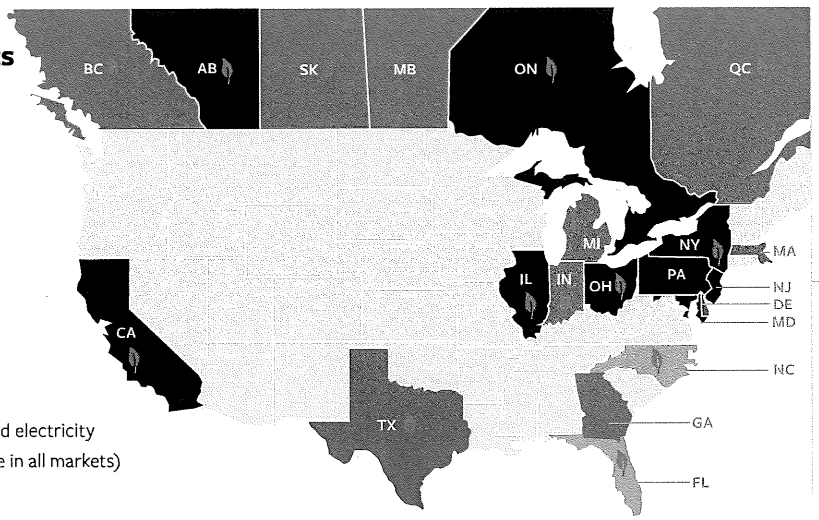
- Fixed price
- Variable price
- Green Energy options
- Carbon offset solutions
- Energy audits

Gross Margin ($ and %)

- $183 million
- 26%

Just Energy measures its energy customer base in residential customer equivalents ("RCEs") based on the average natural gas or electricity consumption of a typical household.

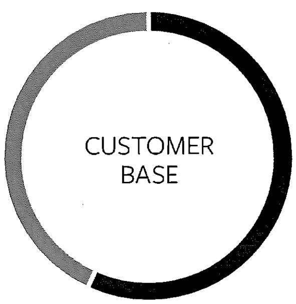
Just Energy Group Markets



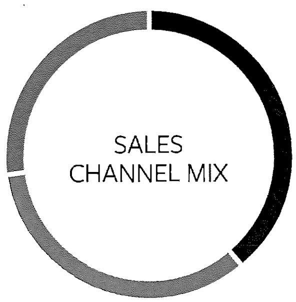
- Natural gas
- Electricity
- Both natural gas and electricity
- TerraPass (available in all markets)
- Green available

International Markets

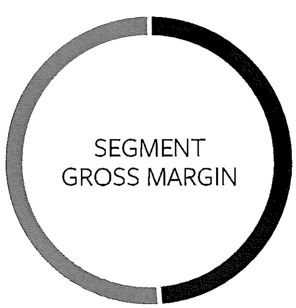
2017 Business Mix



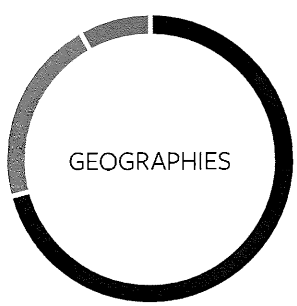
Commercial	57%
Consumer	43%



Commercial brokerage	39%
Online and other	34%
Door-to-door	27%



Electricity	72%
Natural gas	28%



U.S.	71%
Canada	21%
U.K.	8%

Vision and Pillars

Just Energy stands by its vision to be the gold standard in retail energy, delivering value, stability and innovation in every customer, shareholder, employee and community relationship. Our vision serves as the framework for every aspect of our business.

Value

Striving to deliver the highest satisfaction and greatest benefit to every customer, shareholder, employee and community partner.

Stability

Ensuring we consistently deliver dependable, predictable products and services, reliable investor returns and a strong commitment to community.

Innovation

Challenging ourselves daily to explore forward-thinking solutions and progressive options to deliver gold-standard products and services.

Our Brands

just energy · Hudson Energy · Tara Energy · amigo energy · GreenStar energy · terrapass

EXECUTIVE LETTER

ENERGY HAS EVOLVED – SO HAVE WE

Dear Fellow Shareholders,

This is a momentous time for our Company: our 20th anniversary in the retail energy space. What started as a natural gas retailer in Ontario, Canada, in 1997 has successfully grown and transformed into what we are today – the leading independent retailer of energy management solutions with a multinational, customer-centric approach.

As we reflect on Just Energy's 20-year history, what has set us apart has been our ability to identify a clear vision for the future and transform it into action through well-planned strategies, prudent investments, and compelling products that appeal to continuously changing customer preferences.

Today, our team is in the process of successfully executing a global enterprise strategy that is aggressively pursuing profitable growth on a mission to become the world's leading global energy management solutions provider delivering comfort, convenience and control to our customers around the globe.

In the years ahead, we will continue guiding the business toward a clear vision for the future by positioning Just Energy to capitalize on where we see the energy sector heading, what we believe customers will want next, and where we know opportunities for new markets exist.

We enter the new fiscal year as the third largest North American residential retailer and the eleventh largest commercial retailer in the U.S.* This is an extraordinary achievement for our team, especially as a truly independent retailer. In an industry that has undergone significant change, we have weathered challenges that saw the exit of other less-grounded players. There is no other independent retailer in the world with the stability, product depth, sales channel diversity and geographic scope of Just Energy. We believe we can continue disrupting the utility markets with new products and channels while creating deep residential and commercial customer relationships to grow the business.

We have an efficient capital structure in place and a sustainable payout ratio. We're moving forward with a very strong balance sheet and restored financial flexibility. This strength comes at a time when the industry is once again changing, and will allow us to focus our resources and make necessary investments to aggressively pursue our growth strategy.

We believe energy plays a significant role in the changing home ecosystem and we are firmly focused on addressing growth opportunities around the rapidly changing ways that consumers use energy. Our product pipeline to meet the growing market opportunities is robust, continues to improve, and remains a top strategic priority for our organization. From smart thermostats to personalized home consumption insight reports, LED bulbs, furnace filters and smart home irrigation controllers, we are empowering consumers with the tools and information they need to find the comfort, control and convenience they want. We are clearing a path as a trusted advisor providing energy efficiency and water conservation solutions for anyone who uses energy – and that is everyone!

* DNV GL Market Report, April 2016

"Everything we do, we do in the context of the customer experience. Technological advancements give us the ability to process millions of data points, giving us unparalleled insight into how our consumers behave and think."

Everything we do, we do in the context of the customer experience. Technological advancements give us the ability to process millions of data points, giving us unparalleled insight into how our consumers behave and think. Customers are telling us what they want and how they want it – it is changing all the time and the needs are more demanding than ever. Evolving technology and more informed, empowered consumers are the most influential factors in our business today. We must not only keep pace with customer needs, but learn to anticipate the future and deliver unparalleled customer value.

For the past three years we executed on several initiatives that reduced debt, cleaned up the balance sheet and laid out a clear vision for the future. As a management team, we are now moving into a period of executing on our growth strategy, and we believe there is no one better positioned than Just Energy to be the global leader in energy management and efficiency solutions for consumers near and far.

Our commitment to our customers has never wavered, and we thank them for their continued loyalty. We also wish to thank our Board of Directors for their continued support of our mission, as well as all our employees for their tireless dedication. We look forward to the journey ahead and the next 20 years of success.

Sincerely,

Rebecca MacDonald
Executive Chair
(centre)

Deb Merril
Co-Chief Executive Officer
(right)

James Lewis
Co-Chief Executive Officer
(left)

THE TRUSTED ENERGY ADVISOR
FOR YOUR HOME AND YOUR BUSINESS

Twenty years ago, Just Energy introduced a new way to purchase energy in a deregulated energy market – one that provided both price security and peace of mind. We followed with green energy options that enabled people to combine energy value with their personal values. Today, we are building on that foundation of economy and innovation by becoming trusted advisors, helping our customers to understand all the options, opportunities and efficiencies now available to them.

Creating stronger relationships

The energy market is becoming increasingly complex. Customers have a growing range of choices in how they buy, what they buy and the kinds of technologies they use. This creates a remarkable assortment of possibilities and opportunities, but it can also be potentially confusing and a little bewildering. Service to customers has always been at the heart of what we do, and is why Just Energy is evolving to become a trusted energy advisor, to help customers – residential and commercial – understand and benefit from this new world of energy opportunities.

Our retail customers have busy lives and are looking for ways to make life simpler, while managing their energy needs more efficiently and economically. We get it. That's why we are continually working to improve the products, services and solutions we offer – from fixed pricing, green energy, energy management tools and systems, to providing rebates and other incentives that encourage reduced consumption and more efficient energy usage.

4.2 MILLION
residential customer equivalents (RCEs)

Just Energy Perks

In 2017, we launched Just Energy Perks, a comprehensive rewards program that strengthens our relationship with customers. Through the program, which is aimed at our entire customer base, customers earn points simply by using our services. They can use these points to purchase energy efficient products, such as LED lights and air filters, or they can choose from a range of attractive gift card options from major retailers and restaurants. They can even apply their points to a Visa® cash card, which they can use however they see fit. Customer response to the program has been overwhelmingly positive.

"I am very pleased with our decision to have Just Energy as our supplier. Not only have our bills been consistently lower, but the energy efficient items and other items we can purchase with the points we are awarded is a bonus beyond belief."
— *Customer comment left on justenergyperks.com*

Just Energy commercial customers are usually small to mid-size businesses and institutions that can benefit from predictable, stable energy pricing. We have become a leader in the commercial market by providing fixed-price offerings and conservation bundles. Because every business is unique, we can also offer "one-off" agreements customized to match a customer's requirements. Products can be either fixed or floating rate, or some combination of both, and typically have terms of less than five years.

Making new connections

To build stronger connections with its customers, Just Energy took several steps in 2017 to expand its retail presence. This included a pilot program in Illinois, where authorized agents market Just Energy products to consumers from wireless stores and kiosks located in malls and shopping centres. Through this approach, Just Energy can connect with customers in an environment where people are comfortable shopping. This highly scalable model proved very successful on launch and we are positioning it to other wireless carriers and resellers.

29% of new residential customers added a renewable energy component to their commodity contract.

52% of customers chose to lock in their rates with fixed-price contracts.

OUR PROMISE TO OUR CUSTOMERS

At Just Energy, we are committed to developing policies and procedures to protect the rights of our customers and ensure we have their best interests at the forefront of everything we do.

As a customer, you have the right to:

- Be treated with respect and integrity.
- Choose your energy supplier without being pressured into signing a contract.
- Take advantage of our competitive rates and innovative products.
- Know what energy program you have signed up for and how it will impact your monthly bills.
- Understand what you will be paying for energy each month with no hidden fees.
- Select green energy alternatives to offset your carbon footprint and contribute to a cleaner environment.
- Request and receive a copy of your contract.
- Address any questions you may have with our knowledgeable Customer Service Representatives.

DELIVERING GROWTH THROUGH INNOVATION

Just Energy is focused on attracting and retaining people who are looking for trusted advisors who can guide them through an expanding array of energy management options. These customers are looking for help in selecting products and services that will provide them with more comfort, more convenience and more control. The key to meeting this goal is innovation. Consequently, we are continually looking for better, more innovative ways to meet our customers' needs and enhance their customer experience.

Unlimited performance

Just Energy's Unlimited Plan, sold in the United Kingdom as the Unlimited Tariff, frees customers from the impact of unpredictable weather, whether it's a cold snap or heat wave, and the concern and worry caused by an unexpected spike in a monthly energy bill. This innovative program provides customers with an unlimited supply of electricity and natural gas for the same price each month. A cornerstone offering for Just Energy, it is representative of a range of products, including energy conservation bundles, which we developed and are continually refining to meet the evolving needs and expectations of our customers.

716%

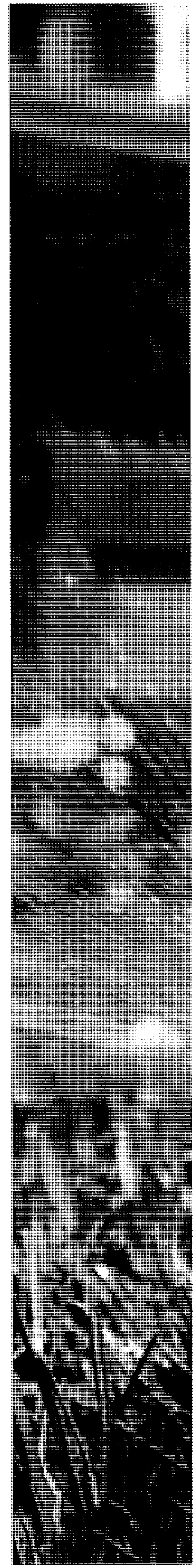
increase in Unlimited Tariff customers in the U.K. over fiscal 2016

Alexa has the answer

Just Energy is the first energy retailer to provide its customers with the ability to access their account along with a growing assortment of other services through Amazon's Alexa voice service-capable appliances, which include the Amazon Echo, Echo Dot and Tap family of devices. In just minutes, customers can set up their Echo through the free Alexa app on Fire OS, Android, iOS and desktop browser. After the device is set up and connected, customers can simply ask Alexa if they can:

- hear billing details;
- switch between accounts;
- receive an energy fact or energy advice; or
- connect with Just Energy customer service.

Alexa provides Just Energy customers with unparalleled convenience in using and managing their energy services. Moreover, as a cloud-based app, Alexa is always being updated and getting smarter, so customers can look forward to constantly improving services and features. Just Energy's ecobee™ smart thermostat can also control customers' home energy environment without their lifting a finger.



Smart irrigation services

In February 2017, Just Energy announced that it had entered into a partnership with Skydrop, a sector-leading manufacturer of self-regulating smart home irrigation systems. Skydrop's Smart Irrigation Controller lets homeowners control their in-ground sprinkler systems remotely through a wireless network. Working in conjunction with a smartphone app, Skydrop can schedule watering times, and anticipate needs based on neighbourhood-specific weather data and lawn conditions. It can also be programmed to obey local watering restrictions. Like Just Energy's ecobee™ smart thermostat, Smart Irrigation Controllers contribute to significant resource conservation while also saving customers time and money.

Delivering air filters. Improving efficiency.

Just Energy's new partnership with FilterEasy, a subscription-based service that delivers air filters to homes and businesses, provides customers with convenience and a better way to remember, and perform, an often overlooked but important task. After signing up for the service and answering a few basic questions, Just Energy customers will receive the correct-sized filter or filters for their home or business, delivered to their doorstep in accordance with the best-practice maintenance schedule. Regular air filter replacement can help maintain energy efficiency, minimize HVAC repairs and contribute to healthier indoor air quality. This combination of convenience and comfort is what customers want from their trusted energy advisor.

A WORLD OF ENERGY OPPORTUNITY

In 2004, attracted by opportunities created through deregulation in natural gas and energy markets, Just Energy made its initial expansion into the United States, where we now operate in 13 states. Today we are the third largest energy retailer to the residential market in North America and the eleventh largest commercial retailer in the U.S. We entered the U.K. market in 2012, and similarly quickly established a leadership position in the energy sector. In 2017, we expanded into Germany, moving to establish Just Energy as the world's leading global energy management solutions provider. We are also planning further market expansion.

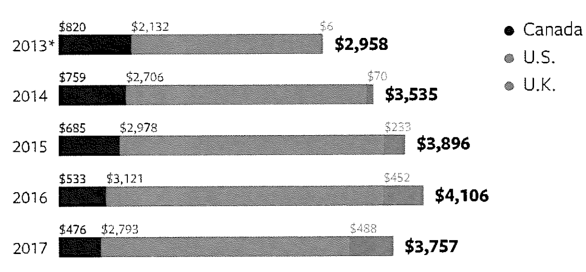
Building on our success in the U.K.

When Just Energy went into the U.K. in 2012, the energy market had been deregulated for many years, but we believed that no organization had effectively made the benefits of deregulation clear to customers. Our success in leveraging the expertise and processes that had served us so well in North America demonstrates that our thesis was correct.

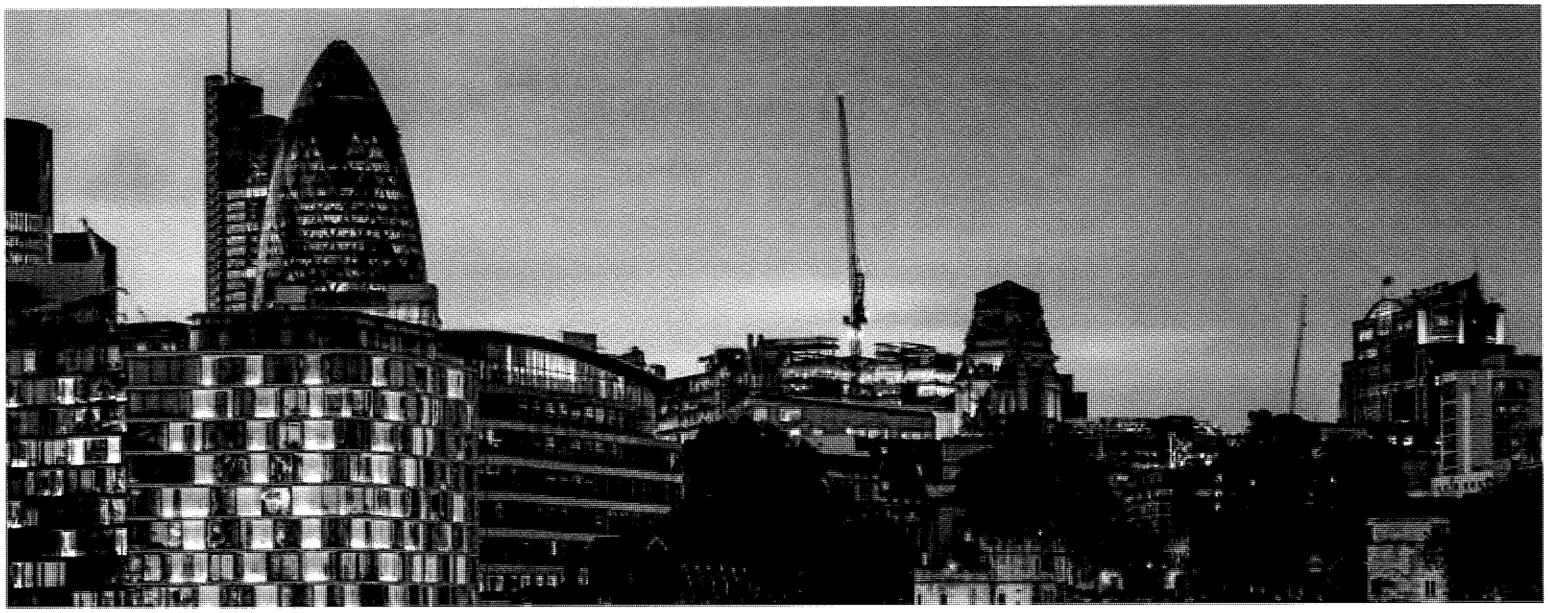
We signed our first deal with a commercial customer in 2012, and in 2013 began to sell energy to residential customers under the Green Star Energy brand. In 2013, we also signed a strategic supply agreement with Shell Energy Europe Limited, which provided us with a secure energy supply and foundation for delivering competitive energy options to the U.K. market. Customers, both residential and commercial, responded enthusiastically to the pairing of clear, economical natural gas and electricity product offerings with outstanding customer service.

At the close of fiscal 2017, we can report a compound annual growth of 198% over the last five years, and U.K. customers now account for 8% of our customer base. MoneyFacts, the U.K.'s leading provider of personal finance data, named Green Star Energy the Energy Provider of the Year in the 2016 Consumer MoneyFacts awards.

HISTORICAL REVENUES BY GEOGRAPHY (C$ MILLIONS)



* 2013 revenues exclude $53 million of National Home Services revenue.



Expanding our reach and potential

On December 12, 2016, Just Energy made its planned entry into continental Europe by acquiring 95% of db swdirekt GmbH ("SWDirekt"), a provider of natural gas and power to consumers in Germany. This move provided Just Energy with instant access to Europe's largest energy market, as well as the support of an experienced local team. Operating under the Just Energy brand and backed by SWDirekt's on-the-ground expertise, the company will seek access to more than 50 million gas and power meters in Germany. In addition to offering secure pricing solutions, we believe there are significant opportunities for introducing new channels and products, while establishing strong residential and commercial customer relationships.

In February 2017, we received our license to operate in Ireland, and our plan is to begin operations there as Just Energy in the second quarter of fiscal 2018. We see particular opportunities in providing energy solutions tailored to meet the needs of the small to mid-size enterprise sector, which we believe is currently underserved.

New markets. New opportunities.

Our entry into Germany and Ireland provides Just Energy with a secure foothold in the European Union – a political and economic union of 28 member states with an estimated population of more than 510 million people. This offers a tremendous opportunity for strategic growth using a proven model, refined over two decades, that continues to deliver profitable growth in Canada, the United States and the United Kingdom.

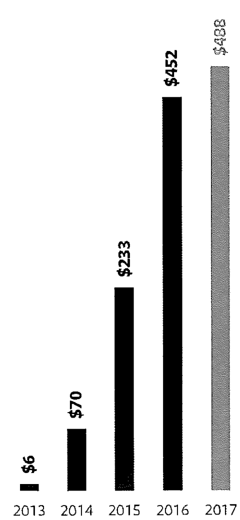
Just Energy is well positioned to pursue opportunities for growth and expansion around the world as it moves to become the world's leading global energy management solutions provider.

198% compound annual growth rate of U.K. sales since 2013

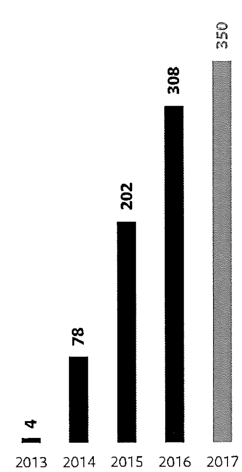
14% year over year growth in U.K. RCEs

8% of the total combined customer portfolio belongs to the U.K.

U.K. SALES (C$ MILLIONS)



U.K. RCEs (THOUSANDS)



A FOUNDATION FOR GROWTH

For some time, Just Energy has been focused on rightsizing our balance sheet – reducing our net debt and strengthening our cash position. Our long-term goal has been to provide Just Energy with the strong foundation and financial flexibility we need to respond rapidly to market opportunities, to pursue expansion and growth on a global basis, and to deliver dependable added value for our customers and our shareholders. In 2017, we made significant progress towards achieving each of these goals.

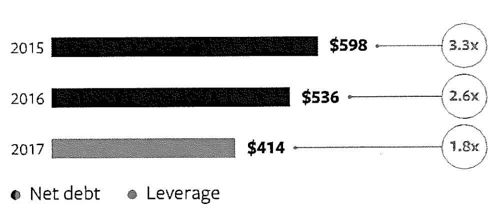
Achieving greater financial flexibility

Just Energy has been clear in recent years about our target of reaching a net debt-to-Base-EBITDA ratio of less than 2.0x. In 2017, we hit that target and reported net debt to Base EBITDA of 1.8x as of March 31, 2017. The achievement demonstrates our commitment to fiscal discipline as well as to the solid fundamentals of our business and our growth strategy. It was made possible through steps that included divesting capital-intensive assets such as National Home Services and lowering Just Energy's dividend payout ratio, while continuing to keep our commitment of paying an annual dividend. Several strategic financial transactions enacted in fiscal 2017 also made a key contribution to our stronger bottom line.

During fiscal 2017, Just Energy used accumulated free cash flow as well as proceeds from the new issuances of the $160 million of 6.75% convertible debentures and $133 million from preferred shares to pay down a portion of our debt through an early redemption of $319 million in 6.0% convertible debentures and the remainder of the $80 million senior unsecured notes. Subsequently, we negotiated with a syndicate of lenders to increase the capacity of our credit facility by C$50 million to C$342.5 million by adding a letter of credit facility, backed by Export Development Canada's (EDC) Account Performance Security Guarantee Program. In addition to enhancing our financial flexibility, EDC's support was a solid validation of Just Energy's strategy and financial strength.

To extend this flexibility and further support our strategy, Just Energy announced a public offering of preferred shares in January 2017. The market's response was positive, and gross proceeds from the offering were US$101 million, most of it earmarked for repurchasing or refinancing debt that is scheduled to mature in 2018 and 2019.

NET DEBT AND LEVERAGE[1]
(C$ MILLIONS)



1 Net debt excludes restricted cash.

Pursuing better margins

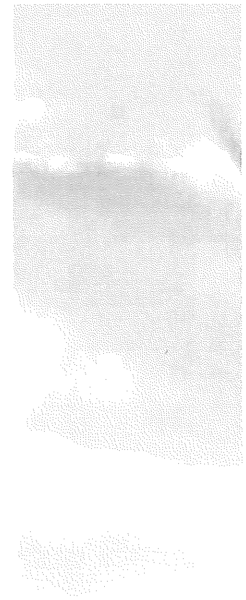
In addition to strengthening our balance sheet through disciplined financial management, Just Energy has been working to improve its margins per customer. Better margins make a direct and significant contribution to Base EBITDA; this is especially true of residential margins as those customers are typically engaged in five-year contracts.

To drive better margins, Just Energy is offering a growing range of innovative products and packages that meet and anticipate our customers' needs. Offerings such as our Unlimited Plan and bundled packages, like providing a smart thermostat with a commodity contract, provide customers with greater comfort, convenience and control, and that, in turn, can translate into premium pricing.

Another key to delivering better margins is finding and keeping the best customers. At Just Energy, we are putting an increased emphasis on providing a superior customer experience across every point of customer contact. At the same time, we are using sophisticated analytics to monitor and evaluate all customer interactions, so we can quickly address any challenges while working to foster and maintain strong relationships with our preferred customers.

TRAILING 12-MONTH AVERAGE REALIZED GROSS MARGIN

	Fiscal 2017	Fiscal 2016	% increase
Consumer	**$265/RCE**	$243/RCE	9%
Commercial	**$89/RCE**	$72/RCE	24%



GROWING WITH OUR COMMUNITIES

Everywhere we operate, Just Energy has always believed in contributing to the health and well-being of communities in need. We created the Just Energy Foundation to help support Canadian and U.S. charitable organizations by providing them with resources that, in turn, are shared with an array of worthwhile programs that help people who need help. Just Energy also supports its employees in their efforts to make a positive difference in people's lives.

Sowing the seeds of sustainable progress

On Thursday, October 13, 2016, approximately 50 Just Energy staff from across Canada and the United States were delighted to join with the Just Energy Foundation and Volunteer Houston, along with teachers, staff and students at Brookline Elementary in Houston, to break ground on the first Just Energy Sustainable Garden.

The garden initiative aligns with Volunteer Houston's Sustainable Schoolyards youth education program and also reflects Just Energy's commitment to investing in the environment while adding value to our communities.

Throughout the day, volunteers dug, planted and watered, and together learned first-hand about helping to support environment sustainability. The project was so well received that it became a template that the Foundation will follow through the year, as it plans to help build many more Sustainable Gardens in Canada and the U.S. by the end of fiscal 2017.

Funds donated directly by Just Energy Foundation in fiscal 2017 benefit charitable organizations from all over the Just Energy footprint.

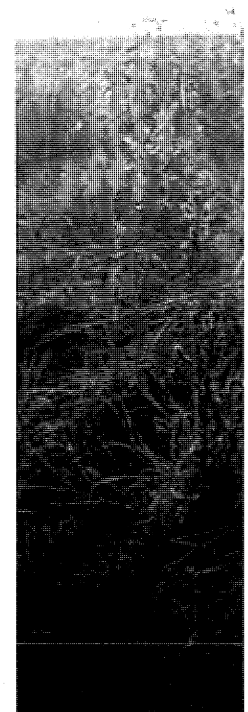
Energizing young scientists

The Just Energy Foundation was proud to present awards to winning students at a special ceremony for the Science and Engineering Fair of Houston (SEFH). The awards, presented by James Lewis, President and Co-CEO of Just Energy, were given to celebrate student achievements in STEM-related disciplines, including robotics, science, engineering and mathematics. Established in 1960, the SEFH is one of America's largest competitive science and engineering fairs. Students in grades seven through 12 get the chance to present their research to the public and to professionals from a variety of scientific fields.

Community Action Grants

MLSE Foundation is our teammate on the Community Action Grants program. Through this initiative, every Maple Leaf Sports and Entertainment sport (hockey, basketball and soccer) makes a $50,000 grant to a charity that gives disadvantaged youth a chance to participate in that sport.

In fiscal year 2017, $50,000 Community Action Grants went to Lady Ballers Camp (April 2016), Woodgreen Community Services (August 2016) and Hockey 4 Youth (March 2017).



3X $50,000
grants awarded to three youth organizations as part of the Community Action Grants program

Giving back at home and away III

At our sales leadership summit in October 2016, more than 200 energy advisors from Canada and the United States joined together to "give back" to the local community. The energy advisors raised $5,800 and Just Energy matched it for a total of $11,600. The funds were donated to two orphanages in Puerto Vallarta – Fundación Corazón de Niña and El Refugio Infantil Santa Esperanza – and had a positive impact on the lives of 80 children ranging in age from six months to 18 years old. The money was used to purchase beds, mattresses, water filtration and security systems, and other much-needed supplies. In addition to direct funds, a group of energy advisors went to a local department store and filled 20 shopping carts with an assortment of useful articles, including school supplies, shoes, clothing and toys. These were distributed evenly between the two orphanages.

Goodwill Ambassador Program

Just Energy is a global company that is proud of its strong regional roots. Everywhere we operate, we look for ways to connect with the communities where our employees live, work and play. The Goodwill Ambassador Program (GAP) gives each Just Energy employee a day off during the year to volunteer at a charity of his or her choice. In 2017, 157 employees made use of this opportunity to donate their time to local organizations such as food banks, shelters, services to the poor, homeless and vulnerable, as well as hospitals and education programs for youth.

Looking forward

The Sustainable Garden we helped build in Houston is emblematic of the initiatives that Just Energy is committed to supporting. It allows us to engage directly with our communities, highlights key aspects of environmental responsibility and sustainability, and provides a forum for young people to gain skills and develop their leadership abilities. Whatever the program, Just Energy will always be interested in those priorities. We are also always interested in giving back to our communities; the Just Energy Foundation is currently looking for the best ways to support charitable and community programs in our new market in Europe.

DIRECTORS AND OFFICERS

Just Energy's Board of Directors and management team believe that good governance supports the Company's long-term success, providing oversight and accountability, strengthening processes, and helping secure the confidence of our many stakeholders. Our corporate governance meets all the recommended standards established by the Canadian Securities Administrators.

Board of Directors

Our Board of Directors comprises the Executive Chair, Chief Executive Officers and a majority of non-management directors. The Board is monitored by a lead independent director. Board committees are composed of external directors only. Corporate governance details can be found in the Just Energy 2017 Management Proxy Circular.

Rebecca MacDonald
Executive Chair
Rebecca MacDonald was a founder of Just Energy Group Inc. and has held the position of Executive Chair since the IPO. From Just Energy's IPO to March 2005, Ms. MacDonald also held the position of Chief Executive Officer.

James Lewis
Co-Chief Executive Officer of Just Energy
James Lewis has been a senior executive of Just Energy since 2007. Mr. Lewis brings to his position as Co-President and Co-Chief Executive Officer of Just Energy more than 20 years of experience in the retail energy industry. Before assuming his latest role, Mr. Lewis served as Chief Operating Officer ("COO") for the Company, with accountability for corporate-wide strategic planning, policy and program development. Mr. Lewis was appointed a director of Just Energy in 2015.

Deb Merril
Co-Chief Executive Officer of Just Energy
Deb Merril is the Co-President and Co-Chief Executive Officer of Just Energy. She has been an officer of Just Energy since 2007. With more than 22 years of experience in the retail energy industry, Ms. Merril was appointed to her current role of Co-President and Co-Chief Executive Officer in April 2014. Prior to this, Ms. Merril led the organization's Commercial business as President of Hudson Energy. Ms. Merril was appointed a director of Just Energy in 2015.

Ryan Barrington-Foote
Managing Director, Accounting, The Jim Pattison Group
Ryan Barrington-Foote is currently the Managing Director, Accounting, at The Jim Pattison Group, where he has worked since 2001 with oversight responsibility for accounting and tax-related functions. From 1996 to 2001, he was associated with KPMG, where he earned his CA ("CPA") designation in 2001. Mr. Barrington-Foote has been a director of Just Energy since 2015.

John A. Brussa
Partner, Burnet, Duckworth & Palmer LLP
John Brussa is a partner in the Calgary-based law firm of Burnet, Duckworth & Palmer, specializing in the area of energy and taxation. He is also a director of a number of energy and energy-related corporations and income funds. Mr. Brussa has been a director of Just Energy since 2001.

R. Scott Gahn
President, Gulf Coast Security Services
Mr. Gahn is currently the President of Gulf Coast Security Services, Inc., a Houston-based security firm. Mr. Gahn has a long history in the deregulated energy industry, having sat on the Texas ERCOT board from 2005 to 2008 and having been involved in the sale of deregulated and regulated electricity and natural gas for 27 years. Mr. Gahn was appointed a director of Just Energy in 2013.

H. Clark Hollands
Corporate Director
H. Clark Hollands is a Chartered Accountant. He obtained his CA designation in 1977 and his FCA designation in 2008. He spent 25 years of his professional career as an international tax partner with KPMG in Vancouver, advising many significant Canadian-based multinational groups and large public companies on their international tax arrangements. Mr. Hollands has been a director of Just Energy since 2015.

Brett A. Perlman
President, Vector Advisors
Mr. Perlman is President of Vector Advisors, a management consulting firm that provides services to telecommunications and energy clients. He is also currently a fellow in the Consortium for Energy Policy Research Initiative at Harvard University, where he is focused on climate change. Prior to this, he served as Commissioner of the Public Utility Commission of Texas from 1999 to 2003, in which role he was responsible for leading the successful restructuring of Texas' $17 billion electric utility industry

Executive Officers (from left to right): Jonah Davids, Executive Vice President, General Counsel and Corporate Secretary; Ash Rajendra, Chief Information Officer; James Lewis, Co-Chief Executive Officer; Rebecca MacDonald, Executive Chair; Deb Merril, Co-Chief Executive Officer; Pat McCullough, Chief Financial Officer; Morgan Smith, Chief Sales Officer; Krishnan Kasiviswanathan, Chief Commercial Officer.

and $4 billion telecommunications industry as these opened to competition. Mr. Perlman has been a director of Just Energy since 2013.

George Sladoje
Principal, Sladoje Consulting
Mr. Sladoje serves as principal, Sladoje Consulting, where he specializes in providing regulatory and compliance consulting to organizations dealing in electricity and gas trading and has provided marketing services to grid operators across the United States. Mr. Sladoje served as CEO of NASDAQ OMX Commodities Clearing Company until 2011. He is also a CPA with previous working experience at a Big 8 accounting firm. Mr. Sladoje has been a director of Just Energy since 2012.

William F. Weld
Principal, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Mr. Weld is a member of the law firm Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., specializing in government strategies, corporate governance and compliance, and international business best practices. In addition, Mr. Weld served two terms as Governor of Massachusetts, elected in 1990 and re-elected in 1994. Prior to his terms as governor, Mr. Weld was a federal prosecutor and served as Assistant U.S. Attorney in the U.S. Justice Department. Mr. Weld has been a director of Just Energy since 2012.

Officers

Just Energy's experienced management team is responsible for establishing and implementing the Company's long-range goals, strategies, plans and policies, subject to the Board's direction and oversight. To ensure that management acts in the best interest of shareholders, we mandate high share ownership for all senior managers and align bonuses with strict performance measurements determined by our Board.

Rebecca MacDonald
Executive Chair

James Lewis
Co-Chief Executive Officer

Deb Merril
Co-Chief Executive Officer

Pat McCullough
Chief Financial Officer

Jonah Davids
Executive Vice President, General Counsel and Corporate Secretary

Ash Rajendra
Chief Information Officer

Morgan Smith
Chief Sales Officer

Krishnan Kasiviswanathan
Chief Commercial Officer

MD&A AT-A-GLANCE
2017 HIGHLIGHTS

Sales of $3,757 million,
down 8% year over year

Gross margin fell 1%
year over year

Base EBITDA increased
8% year over year*

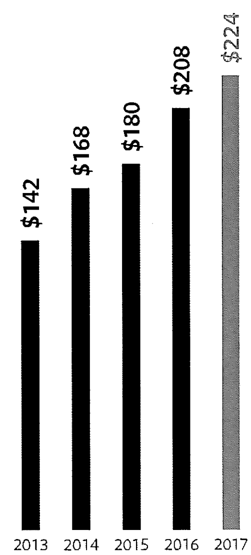
Base Funds from Operations
down 8% year over year

Book value net debt was
1.8x EBITDA at year-end,
compared to 2.6x a year earlier

* Includes $29.2 million of prepaid commission expense. Excluding this additional $11.3 million expense item, Base EBITDA increased by 14% to $235.8 million compared to fiscal 2016.

GROSS MARGIN
(C$ MILLIONS)

BASE EBITDA
(C$ MILLIONS)



Customer Aggregation

	April 1, 2016	Additions	Attrition	Failed to renew	**March 31, 2017**	% increase (decrease)
Consumer Energy						
Gas	661,000	120,000	(131,000)	(39,000)	**611,000**	(8)%
Electricity	1,234,000	335,000	(263,000)	(120,000)	**1,186,000**	(4)%
Total Consumer RCEs	1,895,000	455,000	(394,000)	(159,000)	**1,797,000**	(5)%
Commercial Energy						
Gas	251,000	54,000	(22,000)	(22,000)	**261,000**	4%
Electricity	2,374,000	330,000	(168,000)	(392,000)	**2,144,000**	(10)%
Total Commercial RCEs	2,625,000	384,000	(190,000)	(414,000)	**2,405,000**	(8)%
Total RCEs	4,520,000	839,000	(584,000)	(573,000)	**4,202,000**	(7)%

Customer Aggregation (continued)

Gross customer additions totalled 839,000, a 28% decrease from the 1,158,000 customers added the year before. The decline reflected market conditions in which commodity prices were lower and, therefore, more competitive across all markets, as well as our increased focus on the profitability of a customer, which resulted in fewer customer additions but higher margin contribution from each new customer added. Additionally, the low, stable (no volatility) commodity prices create more competitive pricing across all markets resulting in fewer customers switching between providers.

Attrition

	Fiscal 2017	Fiscal 2016
Consumer	**24%**	26%
Commercial	**7%**	9%
Total attrition	**15%**	16%

The 15% combined attrition rate decreased one percentage point from the prior year. Both the Consumer and Commercial attrition rates decreased by two percentage points as a result of increased competition. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition.

Renewals

	Fiscal 2017	Fiscal 2016
Consumer	**79%**	74%
Commercial	**56%**	57%
Total renewals	**65%**	62%

The overall renewal rate of 65% was up three percentage points from the previous year, with a five percentage point increase in the Consumer rate and a one percentage point decrease in the Commercial rate. The increase reflected a very competitive market for Commercial renewals with competitors pricing aggressively and Just Energy focused on improving retained customers' profitability rather than pursuing low margin growth.

Embedded Gross Margin (millions of dollars)

Management's estimate of the future embedded gross margin is as follows:

	Fiscal 2017	Fiscal 2016	2017 vs. 2016 variance
Energy marketing	**$ 1,757.0**	$ 1,917.6	(8)%

Management's estimate of the future embedded gross margin within its customer contracts fell by 8% compared to the previous year. This decrease is a result of the 7% decrease in customer base year over year. Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. As our mix of customers continues to reflect a higher proportion of Commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

Outlook

Just Energy continues to deploy its strategy to become a world-class consumer enterprise delivering superior value to its customers through a range of energy management solutions and a multi-channel approach. The Company has recently completed a phase of internal transformation centred on repairing its balance sheet and overall debt structure, as well as improving the profitability profile of its customer base.

Just Energy's growth plans centre on customer growth; geographic expansion; channel growth and enhancements; strategic acquisitions; and new products and structures.

Management believes that the Company will deliver fiscal 2018 Base EBITDA in the range of $210 million to $220 million. These expectations reflect continued solid performance in the base business, partially offset by significant investments to seed Just Energy's international operations, to further invest in product and geographic growth initiatives, and to pay upfront commissions related to customer growth in fiscal 2018.

Management foresees continued, sustainable growth that will be driven by an expanded geographical footprint, continued product innovation, and new energy management solutions that align with customer demands.

FINANCIAL TABLE OF CONTENTS

Management's discussion and analysis ("MD&A") – May 17, 2017

The following discussion and analysis is a review of the financial condition and operating results of Just Energy Group Inc. ("JE" or "Just Energy" or the "Company") for the year ended March 31, 2017. It has been prepared with all information available up to and including May 17, 2017. This analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2017. The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars. Quarterly reports, the annual report and supplementary information can be found on Just Energy's corporate website at www.justenergygroup.com. Additional information can be found on SEDAR at www.sedar.com or on the U.S. Securities and Exchange Commission's website at www.sec.gov.

Company overview

Established under the laws of Canada, Just Energy is a leading retail energy provider specializing in electricity and natural gas commodities, energy efficient solutions and renewable energy options. Currently operating in the United States, Canada, the United Kingdom and Germany, the Company serves residential and commercial customers, providing homes and businesses with a broad range of energy solutions that deliver comfort, convenience and control.
Just Energy's margin or gross profit is derived from the difference between the commodity sale price to its customers and the related purchase price from its suppliers. Just Energy is the parent company of Amigo Energy, Green Star Energy, Hudson Energy, Just Energy Solar, Tara Energy and TerraPass.

For a more detailed description of Just Energy's business operations, refer to the "Operations overview" section on page 24 of this MD&A.

Forward-looking information

This MD&A contains certain forward-looking information pertaining to customer additions and renewals, customer consumption levels, EBITDA, Base EBITDA, Funds from Operations, Base Funds from Operations and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, extreme weather conditions, rates of customer additions and renewals, customer attrition, fluctuations in natural gas and electricity prices, changes in regulatory regimes, decisions by regulatory authorities, competition, the results of litigation, and dependence on certain suppliers. Additional information on these and other factors that could affect Just Energy's operations, financial results or dividend levels is included in the Annual Information Form and other reports on file with security regulatory authorities, which can be accessed on our corporate website at www.justenergygroup.com, or through the SEDAR website at www.sedar.com or at the U.S. Securities and Exchange Commission's website at www.sec.gov.

Key terms

"5.75% convertible debentures" refers to the $100 million in convertible debentures issued by the Company to finance the purchase of Fulcrum Retail Holdings, LLC, issued in September 2011. The convertible debentures have a maturity date of September 30, 2018. See "Debt and financing for operations" on page 39 for further details.

"6.0% convertible debentures" refers to the $330 million in convertible debentures issued by Just Energy to finance the purchase of Hudson Energy Services, LLC. Just Energy completed the early redemption of the 6.0% convertible debentures in fiscal 2017. See "Debt and financing for operations" on page 39 for further details.

"6.5% convertible bonds" refers to the US$150 million in convertible bonds issued in January 2014, which mature on July 29, 2019. Net proceeds were used to redeem Just Energy's outstanding $90 million convertible debentures and pay down Just Energy's line of credit. See "Debt and financing for operations" on page 39 for further details.

"6.75% convertible debentures" refers to the $160 million in convertible debentures issued in October 2016, which have a maturity date of December 31, 2021. Net proceeds were used to redeem Just Energy's outstanding senior unsecured notes on October 5, 2016 and $225 million of its 6.0% convertible debentures on November 7, 2016. See "Debt and financing for operations" on page 39 for further details.

"Preferred shares" refers to the 8.50%, fixed-to-floating rate, cumulative, redeemable, perpetual preferred shares that were initially issued at a price of US$25.00 per preferred share in February 2017. The cumulative feature means that preferred shareholders are entitled to receive dividends at a rate of 8.50% on the initial offer price when, as and if declared by our Board of Directors.

"Attrition" means customers whose contracts were terminated prior to the end of the term either at the option of the customer or by Just Energy.

"Customer" does not refer to an individual customer but instead to an RCE (see key term below).

"Failed to renew" means customers who did not renew expiring contracts at the end of their term.

"Gross margin per RCE" refers to the energy gross margin realized on Just Energy's customer base, including gains/losses from the sale of excess commodity supply.

"LDC" means a local distribution company; the natural gas or electricity distributor for a regulatory or governmentally defined geographic area.

"RCE" means residential customer equivalent, which is a unit of measurement equivalent to a customer using, as regards natural gas, 2,815 m^3 (or 106 GJs or 1,000 Therms or 1,025 CCFs) of natural gas on an annual basis and, as regards electricity, 10 MWh (or 10,000 kWh) of electricity on an annual basis, which represents the approximate amount of gas and electricity, respectively, used by a typical household in Ontario, Canada.

Non-IFRS financial measures

Just Energy's consolidated financial statements are prepared in compliance with IFRS. All non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

EBITDA

"EBITDA" refers to earnings before finance costs, taxes, depreciation and amortization. This is a non-IFRS measure that reflects the operational profitability of the business.

BASE EBITDA

"Base EBITDA" refers to EBITDA adjusted to exclude the impact of mark to market gains (losses) arising from IFRS requirements for derivative financial instruments as well as reflecting an adjustment for share-based compensation and non-controlling interest. This measure reflects operational profitability as the non-cash share-based compensation expense is treated as an equity issuance for the purpose of this calculation, as it will be settled in shares and the mark to market gains (losses) are associated with supply already sold in the future at fixed prices.

Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy and management has therefore excluded them from the Base EBITDA calculation.

FUNDS FROM OPERATIONS ("FFO")

"Funds from Operations" refers to the cash flow generated by operations. Funds from Operations is calculated by Just Energy as gross margin adjusted for cash items including administrative expenses, selling and marketing expenses, bad debt expenses, finance costs, corporate taxes, capital taxes and other cash items. Funds from Operations also includes a seasonal adjustment for the gas markets in Ontario, Quebec, Manitoba and Michigan in order to include cash received from LDCs for gas not yet consumed by end customers.

BASE FUNDS FROM OPERATIONS ("BASE FFO")

"Base Funds from Operations" refers to the Funds from Operations reduced by capital expenditures purchased to maintain productive capacity. Capital expenditures to maintain productive capacity represent the capital spend relating to capital and intangible assets.

BASE FUNDS FROM OPERATIONS PAYOUT RATIO

The payout ratio for Base Funds from Operations means dividends declared and paid as a percentage of Base Funds from Operations.

EMBEDDED GROSS MARGIN

"Embedded gross margin" is a rolling five-year measure of management's estimate of future contracted energy gross margin. The energy marketing embedded gross margin is the difference between existing energy customer contract prices and the cost of supply for the remainder of the term, with appropriate assumptions for customer attrition and renewals. It is assumed that expiring contracts will be renewed at target margin renewal rates.

Embedded gross margin indicates the margin expected to be realized from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin.

Financial highlights

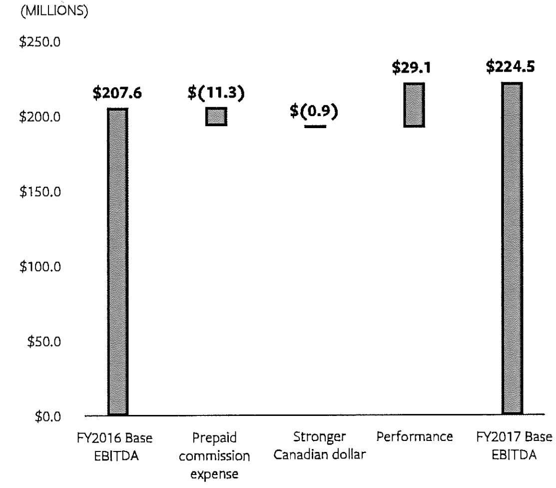
For the years ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2017	**% increase (decrease)**	Fiscal 2016	% increase (decrease)	Fiscal 2015
Sales	**$ 3,757,054**	**(8)%**	$ 4,105,860	5%	$ 3,895,940
Gross margin	**695,971**	**(1)%**	702,288	17%	600,069
Administrative expenses	**168,433**	**(1)%**	170,330	10%	154,222
Selling and marketing expenses	**226,308**	**(12)%**	257,349	14%	225,243
Finance costs (net of non-cash finance charges)	**54,879**	**(4)%**	57,069	(2)%	58,071
Profit (loss) from continuing operations	**470,883**	**NMF[3]**	82,494	NMF[3]	(576,377)
Profit from discontinued operations	**–**	**NMF[3]**	–	NMF[3]	132,673
Profit (loss)[1]	**470,883**	**NMF[3]**	82,494	NMF[3]	(443,704)
Profit (loss) per share available to shareholders – basic	**3.02**		0.44		(4.01)
Profit (loss) per share available to shareholders – diluted	**2.42**		0.43		(4.01)
Dividends/distributions	**76,751**	**3%**	74,792	(14)%	86,723
Base EBITDA[2]	**224,499**	**8%**	207,629	15%	180,426
Base Funds from Operations[2]	**127,758**	**(8)%**	138,199	49%	92,472
Payout ratio on Base Funds from Operations[2]	**60%**		54%		94%
Embedded gross margin[2]	**1,757,000**	**(8)%**	1,917,600	2%	1,874,900
Total customers (RCEs)	**4,202,000**	**(7)%**	4,520,000	(4)%	4,686,000

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 22.
3 Not a meaningful figure.

For the year ended March 31, 2017, gross margin was $696.0 million, 1% lower than the prior year, and Base EBITDA amounted to $224.5 million, 8% higher than fiscal 2016. The Company's reported Base EBITDA for the year ended March 31, 2017 includes $29.2 million of prepaid commission expenses, an increase from $17.9 million included in the prior year. Excluding this incremental $11.3 million of selling expense, Base EBITDA increased by 14% to $235.8 million in comparison to $207.6 million reported for the year ended March 31, 2016. This $28.2 million improvement in Base EBITDA was driven by operational performance led by the margin improvement initiative for new customers signed but offset by a $0.9 million negative impact from foreign exchange. The Company's financial highlights for the year ended March 31, 2017 are shown in the accompanying graph.

FY2017 BASE EBITDA
(MILLIONS)



Operations overview

CONSUMER DIVISION

The sale of gas and electricity to customers with annual consumption equivalent to 15 RCEs and less is undertaken by the Consumer division. Marketing of the energy products of this division is primarily done through online marketing, door-to-door marketing as well as other newly implemented channels such as retail and affinity. Consumer customers make up 43% of Just Energy's customer base, which is currently focused on longer-term price-protected, flat-bill and variable rate product offerings as well as JustGreen products. To the extent that certain markets are better served by shorter-term or enhanced variable rate products, the Consumer division's sales channels also offer these products.

Developments in connectivity and convergence and changes in customer preferences have created an opportunity for Just Energy to provide value added products and service bundles connected to energy. As a conservation solution, smart thermostats are offered as a bundled product with commodity contracts, but were also sold previously as a stand-alone unit. The smart thermostats are manufactured and distributed by ecobee Inc. ("ecobee"), a company in which Just Energy holds a 10% fully diluted equity interest. In addition, Just Energy has also expanded its product offering in some markets to include air filters, LED light bulbs and residential sprinkler systems.

COMMERCIAL DIVISION

Customers with annual consumption equivalent to over 15 RCEs are served by the Commercial division. These sales are made through three main channels: brokers; door-to-door commercial independent contractors; and inside commercial sales representatives. Commercial customers make up 57% of Just Energy's customer base. Products offered to Commercial customers can range from standard fixed-price offerings to "one off" offerings, which are tailored to meet the customer's specific needs. These products can be either fixed or floating rate or a blend of the two, and normally have terms of less than five years. Gross margin per RCE for this division is lower than Consumer margins, but customer aggregation costs and ongoing customer care costs per RCE are lower as well. Commercial customers have significantly lower attrition rates than those of Consumer customers.

ABOUT THE ENERGY MARKETS

Natural gas

Just Energy offers natural gas customers a variety of products ranging from month-to-month variable-price contracts to five-year fixed-price contracts. Gas supply is purchased from market counterparties based on forecasted Consumer and small Commercial RCEs. For larger Commercial customers, gas supply is generally purchased concurrently with the execution of a contract. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Flat-bill products offer customers the ability to pay a fixed amount per period regardless of usage or changes in the price of the commodity.

The LDCs provide historical customer usage which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the gas portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. To the extent that balancing requirements are outside the forecasted purchase, Just Energy bears the financial responsibility for fluctuations in customer usage. To the extent that supply balancing is not fully covered through active management or the options employed, Just Energy's realized customer gross margin may be reduced or increased depending upon market conditions at the time of balancing.

Territory	Gas delivery method
Ontario, Quebec, Manitoba and Michigan	The volumes delivered for a customer typically remain constant throughout the year. Sales are not recognized until the customer actually consumes the gas. During the winter months, gas is consumed at a rate that is greater than delivery, resulting in accrued gas receivables, and, in the summer months, deliveries to LDCs exceed customer consumption, resulting in accrued gas payables. Just Energy receives cash from the LDCs as the gas is delivered, which is even throughout the year.
Alberta, British Columbia, New York, Illinois, Indiana, Ohio, California, Georgia, Maryland, New Jersey, Pennsylvania, Saskatchewan, the United Kingdom and Germany	The volume of gas delivered is based on the estimated consumption and storage requirements for each month. Therefore, the amount of gas delivered in the winter months is higher than in the spring and summer months. Consequently, cash flow received from most of these markets is greatest during the third and fourth (winter) quarters, as cash is normally received from the LDCs in the same period as customer consumption.

Electricity

Just Energy services various territories in Canada, the U.S., the U.K. and Germany with electricity. A variety of electricity solutions are offered, including fixed-price, flat-bill and variable-price products on both short-term and longer-term electricity contracts. Some of these products provide customers with price-protection programs for the majority of their electricity requirements. Just Energy uses historical usage data for all enrolled customers to predict future customer consumption and to help with long-term supply procurement decisions. Flat-bill products offer a consistent price regardless of usage.

Just Energy purchases power supply from market counterparties for residential and small Commercial customers based on forecasted customer aggregation. Power supply is generally purchased concurrently with the execution of a contract for larger Commercial customers. Historical customer usage is obtained from LDCs, which, when normalized to average weather, provides Just Energy with an expected normal customer consumption. Furthermore, Just Energy mitigates exposure to weather variations through active management of the power portfolio, which involves, but is not limited to, the purchase of options, including weather derivatives.

The Company's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. To the extent that balancing power purchases are outside the acceptable forecast, Just Energy bears the financial responsibility for excess or short supply caused by fluctuations in customer usage. Any supply balancing not fully covered through customer pass-throughs, active management or the options employed may impact Just Energy's gross margin depending upon market conditions at the time of balancing.

JustGreen

Customers also have the ability to choose an appropriate JustGreen program to supplement their natural gas and electricity contracts, providing an effective method to offset their carbon footprint associated with the respective commodity consumption.

JustGreen programs for gas customers involve the purchase of carbon offsets from carbon capture and reduction projects. Via power purchase agreements and renewable energy certificates, JustGreen's electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, solar, hydropower or biomass. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

The Company currently sells JustGreen gas and electricity in eligible markets across North America. Of all Consumer customers who contracted with Just Energy in the past year, 29% took JustGreen for some or all of their energy needs. On average, these customers elected to purchase 87% of their consumption as green supply. For comparison, as reported for the year ended March 31, 2016, 34% of Consumer customers who contracted with Just Energy chose to include JustGreen for an average of 91% of their consumption. As of March 31, 2017, JustGreen now makes up 10% of the Consumer gas portfolio, compared with 12% a year ago. JustGreen makes up 16% of the Consumer electricity portfolio, compared to 21% a year ago.

EBITDA

For the years ended March 31
(thousands of dollars)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Reconciliation to consolidated statements of income (loss)			
Profit (loss) for the year	**$ 470,883**	$ 82,494	$ (576,377)
Add (subtract):			
Finance costs	**78,077**	72,540	73,680
Provision for (recovery of) income taxes	**43,231**	(318)	(28,889)
Amortization	**25,494**	42,652	76,040
EBITDA	**$ 617,685**	$ 197,368	$ (455,546)
Add (subtract):			
Change in fair value of derivative instruments and other	**(374,791)**	22,803	635,204
Share-based compensation	**6,076**	5,348	7,120
Profit attributable to non-controlling interest	**(24,471)**	(17,890)	(6,352)
Base EBITDA	**$ 224,499**	$ 207,629	$ 180,426
Gross margin per consolidated financial statements	**$ 695,971**	$ 702,288	$ 600,069
Add (subtract):			
Administrative expenses	**(168,433)**	(170,330)	(154,222)
Selling and marketing expenses	**(226,308)**	(257,349)	(225,243)
Bad debt expense	**(56,041)**	(68,531)	(62,077)
Amortization included in cost of sales/selling and marketing expenses	**2,974**	21,983	30,647
Other income (expenses)	**807**	(2,542)	(2,396)
Profit attributable to non-controlling interest	**(24,471)**	(17,890)	(6,352)
Base EBITDA	**$ 224,499**	$ 207,629	$ 180,426

Base EBITDA amounted to $224.5 million for the year ended March 31, 2017, an increase of 8% from $207.6 million in the prior year. Management had provided guidance of $223 million to $233 million of Base EBITDA for fiscal 2017. The result for fiscal 2017 includes the absorption of $11.3 million in additional deductions related to Commercial customer acquisition costs. The exclusion of this additional expense would have resulted in Base EBITDA growth of 14% for the year ended March 31, 2017, primarily as a result of operational improvements, including strong gross margin contribution from the U.S. Commercial markets.

Sales decreased by 8% for the year ended March 31, 2017. The Consumer and Commercial divisions' sales decreased by 4% and 13%, respectively, due to the 7% decrease in customer base and the decrease associated with foreign currency translation. Gross margin was down 1% and of this $6.3 million decrease in the year, the impact from foreign currency translation was $10.7 million with an offset from margin improvement initiatives of $4.4 million.

Administrative expenses decreased by 1% from $170.3 million to $168.4 million. The decrease over the prior year resulted from lower employee related costs and a decrease in legal provision accruals.

Selling and marketing expenses for the year ended March 31, 2017 were $226.3 million, a 12% decrease from $257.3 million reported in the prior year. The decrease in selling and marketing expenses is due to lower commission costs associated with lower gross customer additions, as well as decreased residual commission expenses.

Bad debt expense was $56.0 million for the year ended March 31, 2017, a decrease of 18% from $68.5 million recorded for the prior year, resulting from fewer write-offs in the Consumer operations in Texas as well as the decrease in sales. For the year ended March 31, 2017, the bad debt expense of $56.0 million represents approximately 2.1% of revenue in the jurisdictions where the Company bears the credit risk, down from the 2.3% of revenue reported for the year ended March 31, 2016, both of which are within management's target range of 2% to 3%.

For more information on the changes in the results from operations, please refer to "Gross margin" on page 34 and "Administrative expenses", "Selling and marketing expenses", "Bad debt expense" and "Finance costs", which are further explained on pages 35 through 36.

For comparative purposes, the table includes the results for the years ended March 31, 2016 and 2015. For the year ended March 31, 2016, gross margin was $702.3 million, an increase of 17% over $600.1 million reported in fiscal 2015, primarily due to higher realized margins per customer and the positive foreign exchange impact on gross margin earned in the U.S. markets compared with fiscal 2015. In fiscal 2016, administrative, selling and marketing, and bad debt expenses amounted to $170.3 million, $257.3 million and $68.5 million, respectively, an increase of 10%, 14% and 10%, respectively. For fiscal 2016, Base EBITDA amounted to $207.6 million, an increase of 15% from $180.4 million in fiscal 2015, reflecting higher gross margin and operating economies of scale within the Company's cost structure.

EMBEDDED GROSS MARGIN

Management's estimate of the future embedded gross margin is as follows:

(millions of dollars)

	Fiscal 2017	Fiscal 2016	2017 vs. 2016 variance	Fiscal 2015	2016 vs. 2015 variance
Energy marketing	**$ 1,757.0**	$ 1,917.6	(8)%	$ 1,874.9	2%

Management's estimate of the future embedded gross margin within its customer contracts amounted to $1,757.0 million as of March 31, 2017, a decrease of 8% compared to the embedded gross margin as of March 31, 2016. This decrease is a result of the 7% decrease in customer base year over year.

Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin. As our mix of customers continues to reflect a higher proportion of Commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

In fiscal 2016, the embedded gross margin for energy marketing increased 2% to $1,917.6 million due to higher margins earned on customers signed in fiscal 2016 as well as the foreign currency impact of the weaker Canadian dollar.

Funds from Operations

For the years ended March 31
(thousands of dollars)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Cash inflow from operations	**$ 150,451**	$ 187,106	$ 96,212
Add (subtract):			
Changes in non-cash working capital	**22,756**	(18,710)	44,458
Cash flows used in operating activities of discontinued operations	**–**	–	(20,902)
Profit attributable to non-controlling interest	**(24,471)**	(17,890)	(6,352)
Tax adjustment	**(7,283)**	708	(2,845)
Funds from Operations	**$ 141,453**	$ 151,214	$ 110,571
Less: Maintenance capital expenditures	**(13,695)**	(13,015)	(18,099)
Base Funds from Operations	**$ 127,758**	$ 138,199	$ 92,472

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Gross margin from consolidated financial statements	**$ 695,971**	$ 702,288	$ 600,069
Add (subtract):			
Adjustment required to reflect net cash receipts from gas sales	**(681)**	14,895	(2,698)
Administrative expenses	**(168,433)**	(170,330)	(154,222)
Selling and marketing expenses	**(226,308)**	(257,349)	(225,243)
Bad debt expense	**(56,041)**	(68,531)	(62,077)
Current income tax expense	**(27,123)**	(13,890)	(8,859)
Amortization included in cost of sales/selling and marketing expenses	**2,974**	21,983	30,647
Other income (expenses)	**807**	(2,542)	(2,396)
Financing charges, non-cash	**23,198**	15,471	15,609
Finance costs	**(78,077)**	(72,540)	(73,680)
Other non-cash adjustments	**(24,834)**	(18,241)	(6,579)
Funds from Operations	**$ 141,453**	$ 151,214	$ 110,571
Less: Maintenance capital expenditures	**(13,695)**	(13,015)	(18,099)
Base Funds from Operations	**$ 127,758**	$ 138,199	$ 92,472
Base Funds from Operations payout ratio	**60%**	54%	94%
Dividends/distributions			
Dividends	**$ 75,374**	$ 73,449	$ 84,945
Distributions for share-based awards	**1,377**	1,343	1,778
Total dividends/distributions	**$ 76,751**	$ 74,792	$ 86,723

Base FFO for the year ended March 31, 2017 was $127.8 million, a decrease of 8% compared with Base FFO of $138.2 million for the prior year. Base FFO decreased although Base EBITDA increased due to higher current income taxes resulting from increased taxable income in Canada and the U.K. coupled with full utilization of loss carryforwards in prior years and an additional one-time finance cost of $2.9 million related to the repayment of the senior unsecured notes.

Dividends and distributions for the year ended March 31, 2017 were $76.8 million, an increase of 3% from fiscal 2016 reflecting the initiation of dividend payments to preferred shareholders following the issuance of preferred shares in February 2017 in the amount of $1.7 million. The payout ratio on Base Funds from Operations was 60% for the year ended March 31, 2017, compared to 54% reported in fiscal 2016, primarily resulting from the lower Base FFO described above.

Selected consolidated financial data from continuing operations

For the years ended March 31
(thousands of dollars, except per share amounts)

Statement of operations	**Fiscal 2017**	Fiscal 2016	Fiscal 2015
Sales	**$ 3,757,054**	$ 4,105,860	$ 3,895,940
Gross margin	**695,971**	702,288	600,069
Profit (loss) from continuing operations	**470,883**	82,494	(576,377)
Profit (loss) from continuing operations per share – basic	**3.02**	0.44	(4.01)
Profit (loss) from continuing operations per share – diluted	**2.42**	0.43	(4.01)

Balance sheet data

As at March 31	**Fiscal 2017**	Fiscal 2016	Fiscal 2015
Total assets	**$ 1,237,955**	$ 1,299,789	$ 1,298,441
Long-term liabilities	**679,645**	954,672	981,962

2017 COMPARED WITH 2016

Sales decreased by 8% to $3,757.1 million in fiscal 2017, compared with $4,105.9 million in the prior fiscal year. The decrease is primarily a result of the 7% decrease in customer base.

For the year ended March 31, 2017, gross margin decreased by 1% to $696.0 million from $702.3 million reported in fiscal 2016 of which foreign currency translation (primarily from the weaker British pound) accounted for a decrease of $10.7 million, offset by a $4.4 million increase from margin improvement initiatives. Gross margin for the Consumer division decreased to $512.9 million, down 5%, while gross margin for the Commercial division increased by 12% to $183.1 million.

The profit for fiscal 2017 amounted to $470.9 million, compared to $82.5 million in fiscal 2016. The profit increased as a result of stronger operational results in fiscal 2017 as well as the year over year increase in the change in fair value of the derivative instruments and other on the Company's supply portfolio, which resulted in a gain of $374.8 million, compared with a loss of $22.8 million in fiscal 2016. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing, but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and Base FFO as the better measures of operating performance.

Total assets decreased by 5% to $1,238.0 million in fiscal 2017 primarily as a result of lower impact from foreign exchange on U.K.-based assets. Total long-term liabilities as of March 31, 2017 were $679.6 million, representing a 29% decrease over fiscal 2016. The decrease in total long-term liabilities is primarily a result of the early redemption of the 6.0% convertible debentures with a book value of $311.0 million as at March 31, 2016 and the repayment of the remaining $80 million on the senior unsecured notes, offset by the issuance of the 6.75% convertible debentures with a book value of $145.6 million and a withdrawal of $68.3 million on the credit facility.

2016 COMPARED WITH 2015

Sales increased by 5% to $4,105.9 million in fiscal 2016, compared with $3,895.9 million in the prior fiscal year. The increase is primarily a result of the currency impact of converting U.S. dollar denominated sales into Canadian dollars.

For the year ended March 31, 2016, gross margin increased by 17% to $702.3 million from $600.1 million reported in fiscal 2015 as a result of higher realized margin per customer in fiscal 2016 due to more disciplined pricing performance and the positive foreign exchange impact on gross margin earned in U.S. markets. Gross margin increased by $68.3 million over the prior year as a result of the weaker Canadian dollar, with the remaining $33.9 million of additional gross margin resulting from operational improvements. Gross margin for the Consumer division increased to $538.6 million, up 20%, while gross margin for the Commercial division increased by 9% to $163.6 million.

The profit from continuing operations for fiscal 2016 amounted to $82.5 million, compared to a loss of $576.4 million in fiscal 2015. The profit from continuing operations increased as a result of stronger operational results in fiscal 2016. The increase year over year is further attributable to the change in fair value of the derivative instruments on the Company's supply portfolio, which resulted in a loss of $22.8 million in fiscal 2016 compared with a loss of $635.2 million in fiscal 2015. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing, but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and Base FFO as the better measures of operating performance.

Total assets for fiscal 2016 were $1,299.8 million, in line with fiscal 2015. Total long-term liabilities as of March 31, 2016 were $954.7 million, representing a 3% decrease over fiscal 2015. The decrease in total long-term liabilities is primarily a result of the use of cash flow to reduce long-term debt, with $7.0 million of convertible debentures purchased and retired in fiscal 2016 along with the repayment of $25.0 million of senior unsecured notes, both of which were partially offset by the growth in valuation of the Eurobond due to the weakening of the Canadian currency.

Summary of quarterly results for operations

(thousands of dollars, except per share amounts)

	Q4 Fiscal 2017	Q3 Fiscal 2017	Q2 Fiscal 2017	Q1 Fiscal 2017
Sales	**$ 947,281**	**$ 918,536**	**$ 992,828**	**$ 898,409**
Gross margin	**175,412**	**174,353**	**183,534**	**162,672**
Administrative expenses	**32,448**	**44,567**	**46,717**	**44,701**
Selling and marketing expenses	**53,727**	**55,337**	**59,454**	**57,790**
Finance costs	**16,745**	**25,477**	**17,882**	**17,973**
Profit (loss) for the period	**(38,220)**	**188,041**	**(161,608)**	**482,671**
Profit (loss) for the period per share – basic	**(0.30)**	**1.22**	**(1.13)**	**3.24**
Profit (loss) for the period per share – diluted	**(0.30)**	**0.98**	**(1.13)**	**2.51**
Dividends/distributions paid	**20,344**	**18,800**	**18,814**	**18,793**
Base EBITDA	**75,018**	**51,489**	**56,851**	**41,141**
Base Funds from Operations	**28,588**	**20,940**	**52,561**	**25,669**
Payout ratio on Base Funds from Operations	**71%**	**90%**	**36%**	**73%**

	Q4 Fiscal 2016	Q3 Fiscal 2016	Q2 Fiscal 2016	Q1 Fiscal 2016
Sales	$ 1,075,880	$ 1,009,709	$ 1,087,256	$ 933,015
Gross margin	204,289	179,937	167,155	150,907
Administrative expenses	49,504	42,934	40,294	37,598
Selling and marketing expenses	62,259	67,061	65,248	62,781
Finance costs	20,312	17,731	17,641	16,856
Profit (loss) for the period	30,893	10,188	(88,258)	129,671
Profit (loss) for the period per share – basic	0.16	0.04	(0.62)	0.87
Profit (loss) for the period per share – diluted	0.14	0.04	(0.62)	0.71
Dividends/distributions paid	18,730	18,662	18,701	18,699
Base EBITDA	67,345	55,724	45,685	38,875
Base Funds from Operations	43,822	26,783	37,775	29,818
Payout ratio on Base Funds from Operations	43%	70%	50%	63%

Just Energy's results reflect seasonality, as electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). Electricity and gas customers currently represent 79% and 21%, respectively, of the customer base. Since consumption for each commodity is influenced by weather, annual quarter over quarter comparisons are more relevant than sequential quarter comparisons.

Fourth quarter financial highlights

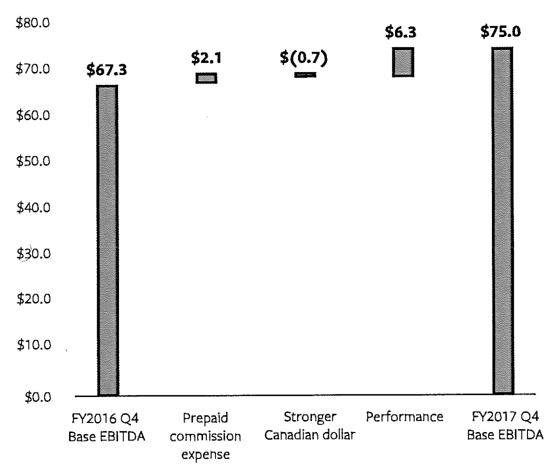
For the three months ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2017	% increase (decrease)	Fiscal 2016
Sales	**$ 947,281**	**(12)%**	$ 1,075,880
Gross margin	**175,412**	**(14)%**	204,289
Administrative expenses	**32,448**	**(34)%**	49,504
Selling and marketing expenses	**53,727**	**(14)%**	62,259
Finance costs (net of non-cash finance charges)	**12,279**	**(25)%**	16,436
Profit (loss)[1]	**(38,220)**	**NMF[3]**	30,893
Profit (loss) per share available to shareholders – basic	**(0.30)**		0.16
Profit (loss) per share available to shareholders – diluted	**(0.30)**		0.14
Dividends/distributions	**20,344**	**9%**	18,730
Base EBITDA[2]	**75,018**	**11%**	67,345
Base Funds from Operations[2]	**28,588**	**(35)%**	43,822
Payout ratio on Base Funds from Operations[2]	**71%**		43%
Total gross customer (RCE) additions	**228,000**	**(10)%**	253,000
Total net customer (RCE) additions	**(25,000)**	**47%**	(47,000)

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 22.
3 Not a meaningful figure.

For the three months ended March 31, 2017, gross margin was $175.4 million, 14% lower than the prior comparable quarter, and Base EBITDA amounted to $75.0 million, an increase of 11% compared to fiscal 2016. The decrease in gross margin is primarily attributable to the decline in the Consumer gas division's gross margin, partially offset by improvements in the Commercial division's gross margin. The increase in Base EBITDA is a result of a 34% decrease in administrative expenses due to lower employee related expenses, legal provisions, and impact from foreign currency translation. The Company's reported Base EBITDA for the three months ended March 31, 2017 also includes $5.3 million of prepaid commission expenses, a decrease from $7.4 million included in the prior comparable quarter. This $5.6 million improvement in Base EBITDA was driven by operational performance of $6.3 million with an offset of $0.7 million from the negative foreign exchange impact. The Company's financial highlights for the three months ended March 31, 2017 are shown in the accompanying graph.

FY2017 Q4 BASE EBITDA
(MILLIONS)



FOURTH QUARTER GROSS MARGIN PER RCE

	Q4 Fiscal 2017	Number of customers	Q4 Fiscal 2016	Number of customers
Consumer customers added and renewed	**$ 192**	**237,000**	$ 217	212,000
Consumer customers lost	**196**	**127,000**	211	136,000
Commercial customers added and renewed	**88**	**208,000**	90	259,000
Commercial customers lost	**83**	**126,000**	69	159,000

For the three months ended March 31, 2017, the average gross margin per RCE for the customers added and renewed by the Consumer division was $192/RCE, compared with $217/RCE in the prior comparable quarter. The decrease in average gross margin per RCE for Consumer customers added and renewed in the quarter is a result of a higher proportion of customer additions in the U.K. signed under 12-month contracts from the switching sites at lower gross margin targets. This was primarily the result of the "Big Six" energy retailers in the U.K. increasing their prices which made the Company's 12-month product much more attractive. While these 12-month contracts carry lower gross margins than the Company's longer-term products, the majority of these customers also selected electronic billing and electronic payment which lowers the Company's costs to serve and improves its cash flow. The average gross margin per RCE for the Consumer customers lost during the three months ended March 31, 2017 was $196/RCE, compared with $211/RCE in the fourth quarter of fiscal 2016. The decrease in gross margin on customers lost is a result of continued efforts to focus on higher margin segments while those with traditionally low margins are allowed to expire.

For the Commercial division, the average gross margin per RCE for the customers signed during the quarter ended March 31, 2017 was $88/RCE, compared to $90/RCE in the prior comparable quarter. Customers lost through attrition and failure to renew during the three months ended March 31, 2017 were at an average gross margin of $83/RCE, an increase from $69/RCE reported in the prior comparable quarter due to the customers being added at higher margins in recent periods. Management will continue its margin optimization efforts by focusing on ensuring customers added meet its profitability targets.

Analysis of the fourth quarter

Sales decreased by 12% to $947.3 million for the three months ended March 31, 2017 from $1,075.9 million recorded in the fourth quarter of fiscal 2016, reflecting the 8% decrease in customer base of the Consumer gas division and lower impact from foreign currency translation, offset by improvements in the Commercial division's customer base.

Gross margin was $175.4 million, a decrease of 14% from the prior comparable quarter. The decrease of $21.3 million is attributable to the decline in the Consumer gas division's customer base and a $9.6 million decrease from the impact of foreign currency, partially offset by gross margin improvement initiatives in the Commercial division.

Administrative expenses for the three months ended March 31, 2017 decreased by 34% from $49.5 million to $32.4 million as a result of lower employee related expenses, a decrease in legal provisions, and impact from foreign currency translation.

Selling and marketing expenses for the three months ended March 31, 2017 were $53.7 million, a 14% decrease from $62.3 million reported in the prior comparable quarter. This decrease is largely attributable to lower commission expense due to a reduction in gross customer additions in the current quarter, as well as a decrease in residual commission costs.

Total finance costs for the three months ended March 31, 2017 amounted to $16.7 million, a decrease of 18% from $20.3 million reported for the three months ended March 31, 2016. The lower finance costs were a result of the 25% decrease in long-term debt.

The change in fair value of derivative instruments and other resulted in a non-cash loss of $99.5 million for the three months ended March 31, 2017, compared to a non-cash loss of $27.0 million in the prior comparative quarter, as market prices relative to Just Energy's future electricity supply contracts decreased by an average of $1.42/MWh, while future gas contracts decreased by an average of $0.11/GJ. The loss for the three months ended March 31, 2017 was $38.2 million, representing a loss per share of $0.30 on a basic and diluted basis. For the prior comparable quarter, the profit was $30.9 million, representing a gain per share of $0.16 on a basic and $0.14 on a diluted basis. Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy.

Base EBITDA was $75.0 million for the three months ended March 31, 2017, an increase of 11% compared to fiscal 2016. The Company's reported Base EBITDA for the fourth quarter of fiscal 2017 includes $2.1 million less prepaid commission expenses as well as a net decrease of $0.7 million resulting from the impact of foreign currency translation.

Base FFO was $28.6 million for the fourth quarter of fiscal 2017, down 35% compared to $43.8 million in the prior comparable quarter as a result of higher income taxes from the exhaustion of non-capital loss carryforward in both Canada and the U.K.

Dividends/distributions paid were $20.3 million, an increase of 9% compared to $18.7 million paid in fiscal 2016 as a result of the first quarter of dividends paid to preferred shareholders, which amounted to $1.7 million. The payout ratio for the quarter ended March 31, 2017 was 71%, compared with 43% in the prior comparable quarter.

While the gross customer additions for the three months ended March 31, 2017 decreased 10% to 228,000 from a year ago, the net Consumer customer additions for the quarter increased 47% to negative 25,000, compared to negative 47,000 recorded in the prior comparable quarter. The increase in the net customer additions was a result of strong customer additions in the U.K. market.

Segmented Base EBITDA[1]

For the years ended March 31
(thousands of dollars)

			Fiscal 2017
	Consumer division	**Commercial division**	**Consolidated**
Sales	**$ 2,083,833**	**$ 1,673,221**	**$ 3,757,054**
Cost of sales	**(1,570,914)**	**(1,490,169)**	**(3,061,083)**
Gross margin	**512,919**	**183,052**	**695,971**
Add (subtract):			
Administrative expenses	**(129,882)**	**(38,551)**	**(168,433)**
Selling and marketing expenses	**(142,883)**	**(83,425)**	**(226,308)**
Bad debt expense	**(46,312)**	**(9,729)**	**(56,041)**
Amortization included in cost of sales	**2,974**	**–**	**2,974**
Other income (expenses)	**1,074**	**(267)**	**807**
Profit attributable to non-controlling interest	**(24,471)**	**–**	**(24,471)**
Base EBITDA from operations	**$ 173,419**	**$ 51,080**	**$ 224,499**

			Fiscal 2016
	Consumer division	Commercial division	Consolidated
Sales	$ 2,177,538	$ 1,928,322	$ 4,105,860
Cost of sales	(1,638,892)	(1,764,680)	(3,403,572)
Gross margin	538,646	163,642	702,288
Add (subtract):			
Administrative expenses	(130,253)	(40,077)	(170,330)
Selling and marketing expenses	(163,153)	(94,196)	(257,349)
Bad debt expense	(59,689)	(8,842)	(68,531)
Amortization included in cost of sales/selling and marketing expenses	2,543	19,440	21,983
Other expenses	(1,853)	(689)	(2,542)
Profit attributable to non-controlling interest	(17,890)	–	(17,890)
Base EBITDA from operations	$ 168,351	$ 39,278	$ 207,629

1 The segment definitions are provided on page 24.

Consumer Energy contributed $173.4 million to Base EBITDA for the year ended March 31, 2017, an increase of 3% from $168.4 million in fiscal 2016. Consumer gross margin decreased 5% as a result of decreased margins from lower consumption reflecting the 5% decrease in the customer base. Consumer administrative costs were consistent with the administrative expenses recorded in fiscal 2016. Consumer selling and marketing expenses were down by 12% due to lower commissions due to lower gross customer additions.

Commercial Energy contributed $51.1 million to Base EBITDA, an increase of 30% from the year ended March 31, 2016, when the segment contributed $39.3 million. The increase in gross margin was offset by higher operating expenses, particularly as a result of the additional $11.3 million of selling and marketing expenses related to the change in classification of prepaid expenses effective fiscal 2016. Excluding the incremental $11.3 million in additional selling costs, Commercial Base EBITDA for the year ended March 31, 2017 would have increased by 59% to $62.4 million as a result of the Company's operational improvement initiatives. The Commercial administrative costs were down 4% in fiscal 2017 due to higher costs required to support customer growth in the U.K., international expansion, as well as efforts relating to new strategic initiatives.

Customer aggregation

	April 1, 2016[1]	Additions	Attrition	Failed to renew	**March 31, 2017**	% increase (decrease)
Consumer Energy						
Gas	661,000	120,000	(131,000)	(39,000)	**611,000**	(8)%
Electricity	1,234,000	335,000	(263,000)	(120,000)	**1,186,000**	(4)%
Total Consumer RCEs	1,895,000	455,000	(394,000)	(159,000)	**1,797,000**	(5)%
Commercial Energy						
Gas	251,000	54,000	(22,000)	(22,000)	**261,000**	4%
Electricity	2,374,000	330,000	(168,000)	(392,000)	**2,144,000**	(10)%
Total Commercial RCEs	2,625,000	384,000	(190,000)	(414,000)	**2,405,000**	(8)%
Total RCEs	4,520,000	839,000	(584,000)	(573,000)	**4,202,000**	(7)%

1 The balance as at April 1, 2016 has been adjusted for customers who have either grown above 15 RCEs (becoming a Commercial customer) or have fallen below 15 RCEs (becoming a Consumer customer) during the fiscal year 2016. At the beginning of each fiscal year, Just Energy will adjust the opening balances to reflect any changes in allocation of customers between the Consumer and Commercial divisions as a result of the increases or decreases in the annual consumption.

Gross customer additions for the year ended March 31, 2017 were 839,000, a decrease of 28% compared to 1,158,000 customers added in fiscal 2016. The customer additions were lower in the current year due to low and stable commodity prices creating more competitive pricing across all markets and fewer customers switching between providers.

Consumer customer additions amounted to 455,000 for the year ended March 31, 2017, a 13% decrease from 523,000 gross customer additions recorded in the prior year. As commodity prices were lower and therefore more competitive across all markets, customer additions decreased. As of March 31, 2017, the U.S., Canadian and U.K. segments accounted for 65%, 24% and 11% of the Consumer customer base, respectively.

Commercial customer additions were 384,000 for the year ended March 31, 2017, a 40% decrease from 635,000 gross customer additions in the prior year as a result of competitiveness in pricing and a more disciplined pricing strategy. Just Energy remains focused on increasing the gross margin per customer added for Commercial customers and, as a result, has been more selective in the margin added per customer. As of March 31, 2017, the U.S., Canadian and U.K. segments accounted for 74%, 19% and 7% of the Commercial customer base, respectively.

Net additions were a negative 318,000 for fiscal 2017, compared with a negative 166,000 net customer additions in fiscal 2016, primarily as a result of the lower customer additions in North America, partially offset by improvements in the attrition and renewal rates. Just Energy continues to actively focus on improving retained customers' profitability rather than pursuing low margin growth.

In addition to the customers referenced in the above table, the Consumer customer base also includes 55,000 smart thermostat customers. These smart thermostats are bundled with a commodity contract and are currently offered in Ontario, Alberta and Texas. Customers with bundled products have lower attrition and higher overall profitability. Further expansion of the energy management solutions is a key driver of continued growth for Just Energy with additional product offerings contributing to lower attrition rates.

For the year ended March 31, 2017, 39% of the total Consumer and Commercial customer additions were generated from commercial brokers, 34% through online and other non-door-to-door sales channels and 27% from door-to-door sales. In the prior year, 52% of customer additions were generated from commercial brokers, 28% from online and other sales channels and 20% using door-to-door sales.

The U.K. operations increased its customer base by 14% to 350,000 RCEs over the past year with strong growth in its Consumer customer base. As of March 31, 2017, the U.S., Canadian and U.K. segments accounted for 71%, 21% and 8% of the customer base, respectively. At March 31, 2016, the U.S., Canadian and U.K. segments represented 71%, 22% and 7% of the customer base, respectively.

ATTRITION

	Fiscal 2017	Fiscal 2016
Consumer	**24%**	26%
Commercial	**7%**	9%
Total attrition	**15%**	16%

The combined attrition rate for Just Energy was 15% for the year ended March 31, 2017, a decrease of one percentage point from the 16% reported in the prior year. Both the Consumer and Commercial attrition rates decreased two percentage points to 24% and 7%, respectively, from a year ago. Both decreases are a result of Just Energy's focus on becoming the customers' "trusted advisor" and providing a variety of energy management solutions to its customer base to drive customer loyalty.

The Company carefully monitors the levels of customer complaints from its Consumer and Commercial divisions. The goal is to resolve all complaints registered within five days of receipt. Our corporate target is to have an outstanding complaint rate of less than 0.05% of customers at any time. As of March 31, 2017, the total outstanding rate was 0.01%.

RENEWALS

	Fiscal 2017	Fiscal 2016
Consumer	**79%**	74%
Commercial	**56%**	57%
Total renewals	**65%**	62%

The Just Energy renewal process is a multifaceted program that aims to maximize the number of customers who choose to renew their contract prior to the end of their existing contract term. Efforts begin up to 15 months in advance, allowing a customer to renew for an additional period. Overall, the renewal rate was 65% for the year ended March 31, 2017, up three percentage points from the renewal rate of 62% reported as of March 31, 2016. The Consumer renewal rate increased by five percentage points, while the Commercial renewal rate decreased by one percentage point to 56%. The decline in Commercial renewal rates reflected a very competitive market for Commercial renewals with competitors pricing aggressively and Just Energy's focus on improving retained customers' profitability rather than pursuing low margin growth.

ENERGY CONTRACT RENEWALS

This table shows the customers up for renewal in the following fiscal years:

	Consumer		Commercial	
	Gas	Electricity	Gas	Electricity
2018	24%	39%	40%	48%
2019	25%	29%	25%	25%
2020	24%	16%	18%	15%
Beyond 2020	27%	16%	17%	12%
Total	100%	100%	100%	100%

Note: All month-to-month customers, which represent 615,000 RCEs, are excluded from the table above.

Gross margin

For the years ended March 31
(thousands of dollars)

	Fiscal 2017			Fiscal 2016		
	Consumer	**Commercial**	**Total**	Consumer	Commercial	Total
Gas	**$ 161,622**	**$ 29,976**	**$ 191,598**	$ 172,582	$ 31,632	$ 204,214
Electricity	**351,297**	**153,076**	**504,373**	366,064	132,010	498,074
	$ 512,919	**$ 183,052**	**$ 695,971**	$ 538,646	$ 163,642	$ 702,288
Increase (decrease)	**(5)%**	**12%**	**(1)%**			

CONSUMER ENERGY

Gross margin for the year ended March 31, 2017 for the Consumer division was $512.9 million, a decrease of 5% from $538.6 million recorded in fiscal 2016. Gas and electricity gross margins decreased by 6% and 4%, respectively, primarily as a result of the decrease in customer base.

Average realized gross margin for the Consumer division for the year ended March 31, 2017 was $265/RCE, representing a 9% increase from $243/RCE reported in the prior year. The increase is largely due to margin improvement initiatives over the past few years. The gross margin/RCE value includes an appropriate allowance for bad debt expense in applicable markets.

Gas

Gross margin from gas customers in the Consumer division was $161.6 million for the year ended March 31, 2017, a decrease of 6% from $172.6 million recorded in the prior year. The change is primarily a result of the 8% decrease in customer base in North America, offset by an increase from margin improvement initiatives.

Electricity

Gross margin from electricity customers in the Consumer division was $351.3 million for the year ended March 31, 2017, a decrease of 4% from $366.1 million recorded in fiscal 2016. The decrease in gross margin in fiscal 2017 is a result of the 4% decrease in the customer base in North America.

COMMERCIAL ENERGY

Gross margin for the Commercial division was $183.1 million for the year ended March 31, 2017, an increase of 12% from $163.6 million recorded in the prior year. Gas gross margin decreased by 5%, while the electricity gross margin increased by 16%. The overall growth in margin was due to operational improvements in place to increase the margin for new customers added.

Average realized gross margin for the year ended March 31, 2017 was $89/RCE, an increase of 24% from $72/RCE. The GM/RCE value includes an appropriate allowance for bad debt expense in various bad debt markets across North America.

Gas

Gas gross margin for the Commercial division was $30.0 million, a decrease of 5% from $31.6 million recorded in fiscal 2016 due to competitive pricing pressures in certain U.S. gas markets.

Electricity

Electricity gross margin for the Commercial division was $153.1 million, an increase of 16% from $132.0 million recorded in the prior year. The increase in gross margin is a result of increased profitability on new customers, lower balancing charges in the U.S. markets and lower capacity costs.

GROSS MARGIN ON NEW AND RENEWING CUSTOMERS

The table below depicts the annual margins on contracts for Consumer and Commercial customers signed during the year. This table reflects the gross margin (sales price less costs of associated supply and allowance for bad debt) earned on new additions and renewals, including both brown commodities and JustGreen supply.

	Fiscal 2017	**Number of customers**	Fiscal 2016	Number of customers
Annual gross margin per RCE				
Consumer customers added and renewed	**$ 207**	**881,000**	$ 207	888,000
Consumer customers lost	**197**	**552,000**	196	592,000
Commercial customers added and renewed	**84**	**867,000**	84	1,202,000
Commercial customers lost	**79**	**605,000**	66	732,000

For the year ended March 31, 2017, the average gross margin per RCE for the customers added and renewed by the Consumer division was $207/RCE, consistent with the prior year. The average gross margin per RCE for the Consumer customers lost during the year ended March 31, 2017 was $197/RCE, compared to $196/RCE lost on customers in fiscal 2016.

For the Commercial division, the average gross margin per RCE for the customers signed during the year ended March 31, 2017 was $84/RCE, consistent with the margin added in the prior year. Customers lost through attrition and failure to renew during the year ended March 31, 2017 were at an average gross margin of $79/RCE, an increase from $66/RCE reported in the prior year due to the customers being added at higher margins in recent periods. Management will continue its margin optimization efforts by focusing on ensuring customers added meet its profitability targets.

Overall consolidated results

ADMINISTRATIVE EXPENSES

For the years ended March 31
(thousands of dollars)

	Fiscal 2017	Fiscal 2016	% decrease
Consumer Energy	**$ 129,882**	$ 130,253	–
Commercial Energy	**38,551**	40,077	(4)%
Total administrative expenses	**$ 168,433**	$ 170,330	(1)%

Administrative expenses decreased by 1% from $170.3 million to $168.4 million. The Consumer division's administrative expenses were $129.9 million for the year ended March 31, 2017, consistent with the administrative expenses recorded in fiscal 2016. The Commercial division's administrative expenses were $38.6 million for fiscal 2017, a 4% decrease from $40.1 million in fiscal 2016. The overall decrease over the prior year was primarily driven by lower employee related expenses and lower legal provisions.

SELLING AND MARKETING EXPENSES

For the years ended March 31
(thousands of dollars)

	Fiscal 2017	Fiscal 2016	% increase
Consumer Energy	**$ 142,883**	$ 163,153	(12)%
Commercial Energy	**83,425**	94,196	(11)%
Total selling and marketing expenses	**$ 226,308**	$ 257,349	(12)%

Selling and marketing expenses, which consist of commissions paid to independent sales contractors, brokers and independent representatives, as well as sales-related corporate costs, were $226.3 million, a decrease of 12% from $257.3 million in fiscal 2016. This decrease is largely attributable to the 28% decrease in gross customer additions in the current year driving both a decrease in upfront commission expenses as well as residual commission expenses.

The selling and marketing expenses for the Consumer division were $142.9 million for the year ended March 31, 2017, a 12% decrease from $163.2 million recorded in the prior year. The selling expenses decreased due to a 13% decrease in gross customer additions during the current year.

The selling and marketing expenses for the Commercial division were $83.4 million for the year ended March 31, 2017, down 11% from $94.2 million recorded in the prior year. This decrease is a result of 40% lower gross customer additions in the year ended March 31, 2017.

The aggregation costs per customer for Consumer customers signed by independent representatives and Commercial customers signed by brokers were as follows:

	Fiscal 2017	Fiscal 2016
Consumer	**$ 216/RCE**	$ 204/RCE
Commercial	**$ 43/RCE**	$ 38/RCE

The average aggregation cost for the Consumer division increased to $216/RCE for the year ended March 31, 2017 from $204/RCE reported for the year ended March 31, 2016. The increase in cost is a result of the higher allocations of overhead expense on a per RCE basis due to lower customer additions.

The $43 average aggregation cost for Commercial division customers is based on the expected average annual cost for the respective customer contracts. It should be noted that commercial broker contracts are paid further commissions averaging $43 per year for each additional year that the customer flows. Assuming an average life of 2.8 years, this would add approximately $77 (1.8 x $43) to the year's average aggregation cost reported above. As at March 31, 2016, the average aggregation cost for commercial brokers was $38/RCE. The lower cost in the prior year is a function of broker commissions being a percentage of lower margins.

BAD DEBT EXPENSE

In Illinois, Alberta, Texas, Delaware, Ohio, California, Michigan, Georgia and the U.K., Just Energy assumes the credit risk associated with the collection of customer accounts. In addition, for commercial direct-billed accounts in British Columbia, Just Energy is responsible for the bad debt risk. Credit review processes have been established to manage the customer default rate. Management factors default from credit risk into its margin expectations for all of the above-noted markets. During the year ended March 31, 2017, Just Energy was exposed to the risk of bad debt on approximately 72% of its sales, compared with 74% during the year ended March 31, 2016.

Bad debt expense is included in the consolidated income statement under other operating expenses. Bad debt expense for the year ended March 31, 2017 was $56.0 million, a decrease of 18% from $68.5 million expensed for the year ended March 31, 2016. Management integrates its default rate for bad debt within its margin targets and continuously reviews and monitors the credit approval process to mitigate customer delinquency. For the year ended March 31, 2017, the bad debt expense represents 2.1% of relevant revenue, down from 2.3% reported in fiscal 2016.

Management expects that bad debt expense will remain in the range of 2% to 3% of relevant revenue where the Company bears credit risk. For each of Just Energy's other markets, the LDCs provide collection services and assume the risk of any bad debt owing from Just Energy's customers for a regulated fee.

FINANCE COSTS

Total finance costs for the year ended March 31, 2017 amounted to $78.1 million, an increase of 8% from $72.5 million recorded in fiscal 2016. The increase in finance costs was largely a result of the loss of $4.4 million on the redemption of the 6.0% convertible debentures as well as the additional $2.9 million one-time interest cost associated with early redemption of the senior unsecured notes.

FOREIGN EXCHANGE

Just Energy has an exposure to U.S. dollar, U.K. pound and European euro exchange rates as a result of its international operations. Any changes in the applicable exchange rate may result in a decrease or increase in other comprehensive income. For the year ended March 31, 2017, a foreign exchange unrealized gain of $0.6 million was reported in other comprehensive income, versus an unrealized loss of $7.5 million reported in fiscal 2016. In addition to changes in the U.S. foreign exchange rate, this fluctuation is a result of the significant decrease in the mark to market liability position of the Company's derivative financial instruments.

Overall, the positive impact from the translation of the U.S.-based operations was more than offset by the impact of the declining British pound following the Brexit vote. The total estimated impact of the decline in the Canadian dollar versus the foreign currencies was an unfavourable $0.9 million on Base EBITDA for the year ended March 31, 2017.

Just Energy retains sufficient funds in its foreign subsidiaries to support ongoing growth, and surplus cash is deployed in Canada and hedges for cross border cash flow are placed. Just Energy hedges between 50% and 90% of the next 12 months of cross border cash flows depending on the level of certainty of the cash flow.

PROVISION FOR INCOME TAX

For the years ended March 31
(thousands of dollars)

	Fiscal 2017	Fiscal 2016
Current income tax expense	**$ 27,123**	$ 13,890
Deferred tax provision (recovery)	**16,108**	(14,208)
Provision for (recovery of) income tax	**$ 43,231**	$ (318)

Just Energy recorded a current income tax expense of $27.1 million for the year ended March 31, 2017, versus $13.9 million in fiscal 2016. The increase is mainly due to the increased income coupled with the exhaustion of non-capital loss carryforward in both Canada and the U.K. For the year ended March 31, 2017, a deferred tax expense of $16.1 million was recorded as compared to a deferred tax recovery of $14.2 million in the prior year. The change is primarily driven by changes in fair value of derivative instruments.

Liquidity and capital resources

SUMMARY OF CASH FLOWS

For the years ended March 31
(thousands of dollars)

	Fiscal 2017	Fiscal 2016
Operating activities	**$ 150,451**	$ 187,106
Investing activities	**(58,157)**	(6,408)
Financing activities, excluding dividends	**(84,064)**	(53,481)
Effect of foreign currency translation	**(1,740)**	(3,703)
Increase in cash before dividends	**6,490**	123,514
Dividends (cash payments)	**(76,710)**	(74,732)
Increase (decrease) in cash	**70,220**	48,782
Cash and cash equivalents – beginning of year	**127,596**	78,814
Cash and cash equivalents – end of year	**$ 57,376**	$ 127,596

OPERATING ACTIVITIES

Cash flow from operating activities for the year ended March 31, 2017 was an inflow of $150.5 million, compared to $187.1 million in fiscal 2016. Cash flow from operations was lower in the current year as a result of a decrease in accounts receivable and accounts payable as well as higher gas in storage.

INVESTING ACTIVITIES

Investing activities for fiscal 2017 included purchases of capital and intangible assets totalling $8.3 million and $18.1 million, respectively, compared with $6.9 million and $10.1 million, respectively, in fiscal 2016. Just Energy's capital spending related primarily to information technology-related purchases for process improvement initiatives. Fiscal 2017 also includes $4.0 million of capital acquisitions for the expansion to Germany, an additional $5.4 million of investment into ecobee, as well as purchases of $26.3 million in short-term investments.

FINANCING ACTIVITIES

Financing activities, excluding dividends, relates primarily to the issuance and repayment of long-term debt. Just Energy early redeemed $319.7 million on the 6.0% convertible debentures and repaid the remaining $80 million on the senior unsecured notes. During fiscal 2017, Just Energy also issued $160 million in 6.75% convertible debentures and $133.0 million in preferred shares, and had drawn $68.3 million against the credit facility as at March 31, 2017.

Just Energy's liquidity requirements are driven by the delay from the time that a customer contract is signed until cash flow is generated. The elapsed period between the time a customer is signed and receipt of the first payment from the customer varies with each market. The time delays per market are approximately two to nine months. These periods reflect the time required by the various LDCs to enroll, flow the commodity, bill the customer and remit the first payment to Just Energy. In Alberta, Georgia and Texas and for commercial direct-billed customers, Just Energy receives payment directly.

DIVIDENDS AND DISTRIBUTIONS

During the year ended March 31, 2017, Just Energy paid cash dividends to its shareholders and distributions to holders of share-based awards in the amount of $76.8 million, compared to $74.8 million paid in the prior year. The increase is a result of the issuance of preferred shares in February 2017 and the commencement of dividend payments to preferred shareholders in March 2017.

Just Energy's annual dividend rate is $0.50 per common share paid quarterly. The dividend policy states that common shareholders of record on the 15th day of March, June, September and December, or the first business day thereafter, receive dividends at the end of that month, subject to Board approval.

Preferred shareholders are entitled to receive dividends at a rate of 8.50% on the initial offer price of US$25.00 per preferred share when, as and if declared by our Board of Directors, out of funds legally available for the payments of dividends, on the applicable dividend payment date. As the preferred shares are cumulative, dividends on preferred shares will accrue even if they are not paid. Common shareholders will not receive dividends until the preferred share dividends in arrears are paid. Dividend payment dates are quarterly on the last day of each March, June, September and December. The dividend payment on March 31, 2017, was US$0.3128 per preferred share.

Balance sheet as at March 31, 2017, compared to March 31, 2016

Cash and short-term investments decreased from $127.6 million as at March 31, 2016 to $83.6 million. The decrease in cash is primarily attributable to the redemption of long-term debt during fiscal 2017.

As of March 31, 2017, trade receivables and unbilled revenue amounted to $353.1 million and $218.4 million, respectively, compared to March 31, 2016, when the trade receivables and unbilled revenue amounted to $362.3 million and $227.4 million, respectively. The accounts receivable balance decreased as a result of the 7% decrease in customer base. Trade payables, which include gas and electricity commodity payables of $224.5 million, decreased from $511.3 million to $486.6 million during the year as a result of the 7% decrease in customer base.

In Michigan, more gas has been delivered to LDCs than consumed by customers, resulting in gas delivered in excess of consumption and a deferred revenue position of $3.2 million and $5.1 million, respectively, as of March 31, 2017. These amounts decreased from $6.3 million and $7.3 million, respectively, as of March 31, 2016. The remaining deferred revenue balance relates to the U.K. operations which decreased 20% from $15.5 million to $12.5 million in fiscal 2017. As at March 31, 2017, more gas was consumed by customers than Just Energy had delivered to the LDCs in Ontario and Manitoba, and as a result, Just Energy recognized an accrued gas receivable and accrued gas payable for $16.4 million and $12.5 million, respectively, up from $13.6 million and $11.3 million, respectively, that was recorded in fiscal 2016. These changes represent normal seasonal fluctuations based on consumption during the winter months.

Prepaid expenses and deposits decreased from $114.7 million at March 31, 2016 to $111.3 million as of March 31, 2017. The majority of the decrease is a result of the decrease in posted supplier collateral that was either returned subsequent to a successful auction or converted into a letter of credit under the credit facility.

Fair value of derivative financial assets and fair value of financial liabilities relate entirely to the financial derivatives. The mark to market gains and losses can result in significant changes in profit and, accordingly, shareholders' equity from year to year due to commodity price volatility. Given that Just Energy has purchased this supply to cover future customer usage at fixed prices, management believes that these non-cash changes are not meaningful and will not be experienced as future costs or cash outflows.

Long-term debt has decreased from $660.5 million as at March 31, 2016 to $498.1 million as at March 31, 2017. This decrease is a result of the early redemption of the 6.0% convertible debentures with a book value of $311.0 million as at March 31, 2016 and the repayment of the remaining $80 million on the senior unsecured notes, offset by the issuance of the 6.75% convertible debentures with a book value of $145.6 million and a withdrawal of $68.3 million on the credit facility. The book value of net debt was 1.8x for the Base EBITDA, lower than the 2.6x reported for March 31, 2016.

Debt and financing for operations

(thousands of dollars)

	March 31, 2017	March 31, 2016
Just Energy credit facility	**$ 68,258**	$ –
6.75% convertible debentures	**145,579**	–
6.0% convertible debentures	**–**	311,028
5.75% convertible debentures	**96,022**	93,637
6.5% convertible bonds	**190,486**	182,564
Senior unsecured note	**–**	80,000

The various debt instruments are described as follows:

- A $342.5 million credit facility expiring on September 1, 2018, supported by guarantees and secured by, among other things, a general security agreement and an asset pledge excluding, primarily, the U.K. operations. Credit facility withdrawals amounted to $68.3 million as of March 31, 2017, compared with no withdrawals as of March 31, 2016. In addition, total letters of credit outstanding as at March 31, 2017 amounted to $109.2 million (March 31, 2016 – $130.0 million).
- A 6.75% senior unsecured subordinated debenture with a maturity date of December 31, 2021 was issued during the third quarter of fiscal 2017 for which interest is payable semi-annually in arrears on June 30 and December 31, at a rate of 6.75% per annum.
- A 6.0% convertible unsecured subordinated debenture in place until June 30, 2017 with interest payable semi-annually in arrears on June 30 and December 31, at a rate of 6.0% per annum. On November 7, 2016, Just Energy early redeemed $225 million in principal. The remaining $94.7 million of principal was redeemed on February 21, 2017.
- A 5.75% convertible extendible unsecured subordinated debenture maturing on September 30, 2018 with interest payable semi-annually on March 31 and September 30, at a rate of 5.75% per annum.
- A 6.5% European-focused senior unsecured convertible bond with a maturity date of July 29, 2019 and interest payable semi-annually in arrears on January 29 and July 29, at a rate of 6.5% per annum.
- A 9.75% senior unsecured note that was maturing in June 2018, for which the final balance was repaid on October 6, 2016.

Just Energy is required to meet a number of financial covenants under the various debt agreements. As at March 31, 2017, all of the covenants have been met. See Note 17 of the consolidated financial statements for the year ended March 31, 2017 for further details regarding the nature of each debt agreement.

Acquisition of db swdirekt GmbH and db swpro GmbH

On December 8, 2016, Just Energy completed the acquisition of 95% of the issued and outstanding shares of db swdirekt GmbH ("SWDirekt"), a retail energy company, and 50% of the issued and outstanding shares of db swpro GmbH ("SWPro"), a sales and marketing company, for $6.2 million, subject to closing adjustments. Terms of the deal include a $2.2 million payment upon the achievement of sales targets. In addition, variable compensation is payable to the selling shareholders which will be recorded as remuneration expense in the future subject to the financial performance of the acquired businesses. At this time, it is not practicable to estimate the amount of variable compensation payable in the future.

The acquisition of SWDirekt and SWPro was accounted for using the purchase method of accounting. For an allocated breakdown of the purchase price to identified assets and liabilities acquired in the acquisition, see Note 15 of the consolidated financial statements for the year ended March 31, 2017.

Contractual obligations

In the normal course of business, Just Energy is obligated to make future payments for contracts and other commitments that are known and non-cancellable.

PAYMENTS DUE BY PERIOD

(thousands of dollars)

	Less than 1 year	1–3 years	4–5 years	After 5 years	Total
Trade and other payables	$ 486,632	$ –	$ –	$ –	$ 486,632
Long-term debt (contractual cash flow)	–	367,743	160,000	–	527,743
Interest payments	26,300	37,475	21,600	–	85,375
Premises and equipment leasing	2,730	11,686	8,228	15,342	37,986
Gas, electricity and non-commodity contracts	1,982,896	1,189,745	188,282	36,769	3,397,692
	$ 2,498,558	$ 1,606,649	$ 378,110	$ 52,111	$ 4,535,428

OTHER OBLIGATIONS

In the opinion of management, Just Energy has no material pending actions, claims or proceedings that have not been included either in its accrued liabilities or in the consolidated financial statements. In the normal course of business, Just Energy could be subject to certain contingent obligations that become payable only if certain events were to occur. The inherent uncertainty surrounding the timing and financial impact of any events prevents any meaningful measurement, which is necessary to assess any material impact on future liquidity. Such obligations include potential judgments, settlements, fines and other penalties resulting from actions, claims or proceedings.

Transactions with related parties

Just Energy does not have any material transactions with any individuals or companies that are not considered independent of Just Energy or any of its subsidiaries and/or affiliates.

Off balance sheet items

The Company has issued letters of credit in accordance with its credit facility totalling $109.2 million (March 31, 2016 – $130.0 million) to various counterparties, primarily utilities in the markets where it operates, as well as suppliers.

Pursuant to separate arrangements with several bond agencies, The Hanover Insurance Group and Charter Brokerage LLC, Just Energy has issued surety bonds to various counterparties including states, regulatory bodies, utilities and various other surety bond holders in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Total surety bonds issued as at March 31, 2017 were $55.9 million (March 31, 2016 – $52.9 million).

Critical accounting estimates

The consolidated financial statements of Just Energy have been prepared in accordance with IFRS. Certain accounting policies require management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, cost of sales, selling and marketing, and administrative expenses. Estimates are based on historical experience, current information and various other assumptions that are believed to be reasonable under the circumstances. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

The following assessment of critical accounting estimates is not meant to be exhaustive. Just Energy might realize different results from the application of new accounting standards promulgated, from time to time, by various rule-making bodies.

RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for uncollectible accounts reflects Just Energy's best estimates of losses on the accounts receivable balances. Just Energy determines the allowance for doubtful accounts on customer receivables by applying loss rates based on historical results to the outstanding receivable balance.
Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois, Ohio, Delaware, California, Michigan, Georgia, the U.K. and commercial direct-billed accounts in British Columbia. Credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all the above markets.

Revenues related to the sale of energy are recorded when energy is delivered to customers. The determination of energy sales to individual customers is based on systematic readings of customer meters generally on a monthly basis. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and corresponding unbilled revenue is recorded. The measurement of unbilled revenue is affected by the following factors: daily customer usage, losses of energy during delivery to customers and applicable customer rates.

Increases in volumes delivered to the utilities' customers and favourable rate mix due to changes in usage patterns in the period could be significant to the calculation of unbilled revenue. Changes in the timing of meter reading schedules and the number and type of customers scheduled for each meter reading date would also have an effect on the measurement of unbilled revenue; however, total operating revenues would remain materially unchanged.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Just Energy performed its annual impairment test as at March 31, 2017. Just Energy considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2017, the market capitalization of Just Energy was above the book value of its equity, indicating that a potential impairment of goodwill and intangible assets with indefinite lives does not exist.

The recoverable amount of each of the cash-generating units has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. The projections for the first year have been approved by the Audit Committee; the assumptions used in the following years have been approved by senior management. The calculation of the value-in-use for each unit is most sensitive to the following assumptions:

- Customer consumption assumptions used in determining gross margin;
- New customer additions, attrition and renewals;
- Selling and marketing costs;
- Discount rates; and
- Growth rates used to extrapolate cash flows beyond the budget period.

Customer consumption is forecasted using normalized historical correlation between weather and customer consumption and weather projections. An average customer consumption growth rate of 10% was used in the projections. A 5% decrease in the consumption assumptions would not have an impact on the results of the impairment test.

New customer additions and attrition and renewal rate estimates are based on historical results and are adjusted for new marketing initiatives that are included in the budget. A 5% decrease annually in the overall customer base would not have an impact on the results of the impairment test.

Selling and marketing costs fluctuate with customer additions, renewals and attrition. Selling and marketing costs used in the financial forecast are based on assumptions consistent with the above new customer additions, renewals and attritions. Rates used are based on historical information and are adjusted for new marketing initiatives included in the budget. A 5% increase annually in selling and marketing costs would not have an impact on the results of the impairment test.

Discount rates represent the current market assessment of the risks specific to the Company, regarding the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of Just Energy and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Just Energy's investors, and the cost of debt is based on the interest bearing borrowings the Company is obliged to service. Just Energy used a discount rate of 8.6%. A 5% increase in the WACC would not have an impact on the results of the impairment test.

In addition to the above assumptions, the expected forecasted performance assumes that there will not be any new legislation that will have a negative impact on Just Energy's ability to market its products in the jurisdictions in which it currently operates. Any changes in legislation would only impact the respective jurisdiction. This item is out of the control of management and cannot be predicted. Management has used all information available to prepare its financial projections.

DEFERRED TAXES

In accordance with IFRS, Just Energy uses the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized on the differences between the carrying amounts of assets and liabilities and their respective income tax basis.

The tax effects of these differences are reflected in the consolidated statements of financial position as deferred income tax assets and liabilities. An assessment must be made to determine the likelihood that our future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, deferred income tax assets must be reduced. The reduction of the deferred income tax asset can be reversed if the estimated future taxable income improves. No assurances can be given as to whether any reversal will occur or as to the amount or timing of any such reversal. Management must exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation to ensure deferred income tax assets and liabilities are complete and fairly presented. Assessments and applications differing from our estimates could materially impact the amount recognized for deferred income tax assets and liabilities.

Deferred income tax assets of $23.0 million and $41.0 million have been recorded on the consolidated statements of financial position as at March 31, 2017 and March 31, 2016, respectively. These assets primarily relate to mark to market losses on our derivative financial instruments. Management believes there will be sufficient taxable income that will permit the use of these future tax assets in the tax jurisdictions where they exist. When evaluating the future tax position, Just Energy assesses its ability to use deferred tax assets based on expected taxable income in future periods.

As at March 31, 2017, no deferred tax assets were recognized in the U.S. However, a benefit of $136.8 million relating to losses and deductible temporary differences was utilized in the year ended March 31, 2017.

Deferred income tax liabilities of $1.7 million and $1.4 million have been recorded on the consolidated statements of financial position as at March 31, 2017 and March 31, 2016, respectively. These liabilities are primarily due to mark to market losses on the derivative financial instruments and unrealized foreign exchange losses which, when realized, will be recognized for tax purposes.

SUBSIDIARIES

Subsidiaries that are not wholly owned by Just Energy require judgment in determining the amount of control that Just Energy has over that entity and the appropriate accounting treatments. In these consolidated financial statements, management has determined that Just Energy controls Just Ventures, SWDirekt and SWPro and, therefore, has treated the portion that is not owned by Just Energy as a non-controlling interest.

USEFUL LIFE OF KEY PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Each significant component is depreciated over its estimated useful life. A component can be separately identified as an asset and is expected to provide a benefit of greater than one year. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence and regulations. The useful lives of property, plant and equipment and depreciation rates used are reviewed at least annually to ensure they continue to be appropriate.

Depreciation and amortization expense from operations for the year ended March 31, 2017 recorded in the consolidated statements of cash flows was $25.5 million, compared with $42.7 million for the year ended March 31, 2016.

FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Just Energy has entered into a variety of derivative financial instruments as part of the business of purchasing and selling gas, electricity and JustGreen supply. Just Energy enters into contracts with customers to provide electricity and gas at fixed prices and provide comfort to certain customers that a specified amount of energy will be derived from green generation or carbon destruction. These customer contracts expose Just Energy to changes in market prices to supply these commodities. To reduce its exposure to commodity market price changes, Just Energy uses derivative financial and physical contracts to secure fixed-price commodity supply to cover its estimated fixed-price delivery or green commitment.

Just Energy uses a forward interest rate curve along with a volume weighted average share price to value its share swap. The Eurobond conversion feature is valued using an option pricing model.

Just Energy's objective is to minimize commodity risk, other than consumption changes, usually attributable to weather. Accordingly, it is Just Energy's policy to hedge the estimated fixed-price requirements of its customers with offsetting hedges of natural gas and electricity at fixed prices for terms equal to those of the customer contracts. The cash flow from these supply contracts is expected to be effective in offsetting Just Energy's price exposure and serves to fix acquisition costs of gas and electricity to be delivered under the fixed-price or price-protected customer contracts. Just Energy's policy is not to use derivative instruments for speculative purposes.

Just Energy's U.S., U.K. and German operations introduce foreign exchange-related risks. Just Energy enters into foreign exchange forwards in order to hedge its exposure to fluctuations in cross border cash flows.

The consolidated financial statements are in compliance with IAS 32, Financial Instruments: Presentation; IAS 39, Financial Instruments: Recognition and Measurement; and IFRS 7, Financial Instruments: Disclosure. All the mark to market changes on Just Energy's derivative instruments are recorded on a single line on the consolidated income statement. Due to commodity volatility and to the size of Just Energy, the swings in mark to market on these positions will increase the volatility in Just Energy's earnings.

The Company's financial instruments are valued based on the following fair value ("FV") hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The main cause of changes in the fair value of derivative instruments is changes in the forward curve prices used for the fair value calculations. For a sensitivity analysis of these forward curves, see Note 14 of the consolidated financial statements for the year ended March 31, 2017. Other inputs, including volatility and correlations, are driven off historical settlements.

Just Energy common and preferred shares

As at May 17, 2017, there were 147,013,538 common shares and 4,098,388 preferred shares of Just Energy outstanding.

In February 2017, Just Energy closed its underwritten public offering of 4,040,000 of its 8.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Shares at a price of US$25.00 per preferred share, for gross proceeds of US$101 million.

In May 2017, Just Energy announced it has entered into an at-the-market issuance ("ATM offering") sales agreement pursuant to which Just Energy may, at its discretion and from time to time, offer and sell in the United States preferred shares having an aggregate offering price of up to US$150 million. As at May 17, 2017, Just Energy has issued an additional 58,388 preferred shares for aggregate total gross proceeds of $2.1 million under the ATM offering.

Normal course issuer bid

Just Energy has the ability to make a normal course issuer bid ("NCIB") to purchase for cancellation a portion of the outstanding 5.75% convertible debentures as well as the Just Energy common shares up to March 16, 2018. Under each NCIB, Just Energy may purchase debentures and common shares representing 10% of the outstanding public float at close of business February 28, 2017 up to daily and total limits. Prior to their full redemption in fiscal 2017, Just Energy had the ability to purchase portions of the 6.0% convertible debentures under the NCIB program. For the year ended March 31, 2017, Just Energy had purchased $1.8 million of the 6.0% convertible debentures and $6.5 million of common shares through the NCIB program, compared to $7.0 million and $nil, respectively, purchased in the prior fiscal year.

Just Energy believes that the debentures and common shares may trade in a range that may not fully reflect their value. As a result, Just Energy believes that the purchase of the debentures and common shares from time to time can be undertaken at prices that make the acquisition of such securities an appropriate use of Just Energy's available funds. In addition, purchases under each of the NCIBs may increase the liquidity of the debentures and common shares and will enable Just Energy to deleverage its balance sheet. Just Energy intends to continue to buy back debentures and common shares when the circumstances present themselves in a way that maximizes value for Just Energy. The Company's current priority is the repurchase of debentures at attractive prices.

Accounting standards issued but not yet applied

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. Just Energy intends to adopt these standards, if applicable, when they become effective.

Standard	Change summary	Effective for fiscal years commencing after:
Amendments to IAS 7, Statement of Cash Flows ("IAS 7")	IAS 7 was issued to introduce additional disclosure that will allow users to understand changes in liabilities arising from financing activities.	January 1, 2017
Amendments to IAS 12, Income Tax ("IAS 12")	IAS 12 was issued to address the accounting requirements for current or deferred tax assets or liabilities related to debt instruments measured at fair value.	January 1, 2017
IFRS 9, Financial Instruments ("IFRS 9")	IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value.	January 1, 2018
IFRS 15, Revenue from Contracts with Customers ("IFRS 15")	IFRS 15 establishes a five-step model to recognize revenue earned from contracts with a customer, regardless of the type of revenue transaction or industry.	January 1, 2018
Amendments to IFRS 2, Share-based Payments ("IFRS 2")	IFRS 2 clarifies how to account for certain types of share-based payment transactions.	January 1, 2018
IFRS 16, Leases ("IFRS 16")	IFRS 16 brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases.	January 1, 2019

For more information on the new accounting pronouncements not yet applied, as well as the Company's analysis of perceived accounting impacts, reference Note 6 of the consolidated financial statements for the year ended March 31, 2017.

Risk factors

Described below are the principal risks and uncertainties that Just Energy can foresee. It is not an exhaustive list, as some future risks may be as yet unknown and other risks, currently regarded as immaterial, could turn out to be material.

MARKET RISK

Market risk is a potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity.

Commodity price risk

Just Energy's cost to serve its retail energy customers is exposed to fluctuations in commodity prices. Although Just Energy enters into commodity derivative instruments with its suppliers to manage the commodity price risks, it is exposed to commodity price risk where estimated customer requirements do not match actual customer requirements or where it is not able to exactly purchase the estimated customer requirements. In such cases, Just Energy may suffer a loss if it is required to sell excess supply in the spot market (compared to its weighted average cost of supply) or to purchase additional supply in the spot market. Such losses could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

A key risk to Just Energy's business model is a sudden and significant drop in the commodity market price resulting in an increase in customer churn, regulatory pressure and resistance on enforcement of liquidation damages and enactment of provisions to reset the customer price to current market price levels which could have significant impact on Just Energy's business.

Commodity volume balancing risk

Depending on several factors including weather, Just Energy's customers may use more or less commodity than the volume purchased by Just Energy for delivery to them. Just Energy bears the financial responsibility, is exposed to market risk and, furthermore, may also be exposed to penalties by the LDCs for balancing the customer volume requirements. Although Just Energy manages the volume balancing risk through balancing language in some of its retail energy contracts, enters into weather derivative transactions to mitigate weather risk, and leverages natural gas storage facilities to manage daily delivery requirements, increased costs and/or losses resulting from occurrences of volume imbalance net of Just Energy's risk management activities could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

Interest rate risk

Just Energy is exposed to interest rate risk associated with its credit facility. Current exposure to interest rate risk associated with its credit facility does not economically warrant the use of derivative instruments.

Foreign exchange rate risk

Just Energy is exposed to foreign exchange risk on foreign investment outflow and repatriation of foreign currency denominated income against Canadian dollar denominated common share dividends. In addition, Just Energy is exposed to translation risk on foreign currency denominated earnings and foreign investments. Just Energy enters into foreign exchange derivative instruments to manage the cash flow risk on foreign investments and repatriation of foreign funds. Currently, Just Energy does not enter into derivative instruments to manage foreign exchange translation risk. Large fluctuations in foreign exchange rates may have a significant impact on Just Energy's earnings and cash flow. In particular, a significant rise in the relative value of the Canadian dollar to the U.S. dollar or U.K. pound could materially reduce reported earnings and cash flow.

LIQUIDITY RISK

Just Energy is at risk of not being able to settle its future debt obligations including convertible debentures and commercial notes. Increase in liquidity risk may put Just Energy's cash dividend at risk or require Just Energy to raise additional funds. Liquidity risk may cause Just Energy to close down, sell or otherwise dispose of all or part of the business of Just Energy's subsidiaries.

Credit agreement and other debt

Just Energy maintains a credit facility of up to $342.5 million for working capital purposes, pursuant to a credit agreement with various lenders (the "Credit Agreement"). The lenders under the Credit Agreement, together with certain suppliers of Just Energy and its affiliates, are party to the Credit Agreement and related security agreement, which provide for a joint security interest over all customer contracts in North America. There are various covenants pursuant to the Credit Agreement that govern activities of Just Energy and its affiliates. The restrictions in the Credit Agreement may adversely affect Just Energy's ability to finance its future operations and capital needs and to pursue available business opportunities. Should Just Energy or its subsidiary default under the terms of the Credit Agreement, the credit facility thereunder may become unavailable and may materially reduce Just Energy's liquidity. There can be no assurance that Just Energy would be able to obtain alternative financing or that such financing would be on terms favourable to Just Energy. In addition, Just Energy may not be able to extend, renew or refinance the credit facility on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position, in which case Just Energy could be forced to sell assets or secure additional financing to make up for any shortfall in its payment obligations under unfavourable circumstances.

Just Energy has significant levels of other debt, including convertible debentures, which could further limit Just Energy's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes, which could make Just Energy more vulnerable to economic downturns and adverse industry developments or limit flexibility in planning for or reacting to changes in its business. There can be no assurance that Just Energy would be able to refinance or replace such debt on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position.

Working capital requirements (availability of credit)

In several markets where Just Energy operates, payment is provided to Just Energy by LDCs only when the customer has paid the LDC for the consumed commodity, rather than when the commodity is delivered. Just Energy also manages natural gas storage facilities where Just Energy must inject natural gas in advance of payment. These factors, along with seasonality in energy consumption, create a working capital requirement necessitating the use of Just Energy's available credit. In addition, Just Energy and its subsidiaries are required to post collateral to LDCs and Electricity System Operators. Any changes in payment terms managed by LDCs, any increase in cost of carrying natural gas storage inventory, and any increase in collateral posting requirements could result in significant liquidity risk to Just Energy.

Earnings seasonality and volatility

Just Energy's business is seasonal in nature. In addition to regular seasonal fluctuations in its earnings, there is significant volatility in its earnings associated with the requirement to mark its commodity contracts to market. The earnings volatility associated with seasonality and mark to market accounting may affect the ability of Just Energy to access capital and increase its liquidity risk.

Cash dividends are not guaranteed

The ability to pay dividends on common and preferred shares and the actual amount of dividends on common shares will depend upon numerous factors, including profitability, fluctuations in working capital, debt service requirements (including compliance with Credit Agreement obligations), additional issuance of senior preferred shares or indebtedness and the sustainability of margins. Cash dividends are not guaranteed and will fluctuate with the performance of Just Energy and the availability of cash liquidity from ongoing business operations.

Share ownership dilution

Just Energy may issue an unlimited number of common shares and up to 50,000,000 preferred shares without the approval of shareholders which would dilute existing shareholders' interests.

SUPPLY COUNTERPARTY RISK

Counterparty risk is a loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations.

Credit risk

Just Energy enters into long-term derivative contracts with its counterparties. If a derivative counterparty were to default on its contractual obligations, Just Energy would be required to replace its contracted commodities or instruments at prevailing market prices, which may negatively affect related customer margin or cash flows. Just Energy mitigates credit risk by procuring a majority of its derivatives from investment grade rated counterparties, therefore restricting its exposure to unrated counterparties.

Supply delivery risk

Just Energy's business model is based on contracting for supply of electricity or natural gas to deliver to its customers. Failure by Just Energy's supply counterparties to deliver these commodities to Just Energy due to business failure, supply shortage, force majeure, or any other failure of such counterparties to perform their obligations under the applicable contracts would put Just Energy at risk of not meeting its delivery requirements with LDCs, thereby resulting in penalties, price risk, liquidity and collateral risk and may have a significant impact on the business, financial condition, results of operations and cash flows of Just Energy. Just Energy attempts to mitigate supply delivery risk by diversifying its commodity procurement and purchasing from multiple suppliers.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is a potential loss that may be incurred as a result of changes in regulations or legislation affecting Just Energy's business model, costs or operations, as well as being a risk of potential litigation against Just Energy resulting in impact to Just Energy's cash flow.

Regulatory environment

Just Energy may receive complaints from consumers which may involve sanctions from regulatory and legal authorities. The most significant potential sanction is the suspension or revocation of a license which would prevent Just Energy from selling in a particular jurisdiction.

Changes to consumer protection legislation may impact Just Energy's business model and may include additional measures that require additional administration together with potential impacts to contracting, renewal and retention rates.

Just Energy is exposed to changes in energy market regulations that may put onus on Just Energy to adhere to stricter renewable energy compliance standards, procure additional volume of capacity and transmission units and pay regulated tariff and charges for transmission and distribution of energy, which may change from time to time. In certain cases, Just Energy may not be able to pass through the additional costs from changes in energy market regulations to its customers that may impact Just Energy's business, financial condition and cash flows.

Just Energy's business model involves entering into derivative financial instruments to manage commodity price and supply risk. Financial reforms in the U.S., Canada and Europe may require Just Energy to comply with certain aspects of reporting, record keeping, position limits and other risk mitigation and price transparency rules that result in increased scrutiny of commodity procurement activities. Costs resulting from Just Energy's compliance with certain new regulatory requirements as well as increased costs of doing business with Just Energy's counterparties who may be subject to even greater regulatory requirements could have a material impact on Just Energy's business.

In June 2016, a majority of voters in the U.K. elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years. Nevertheless, the decision to withdraw has created significant uncertainty about the future relationship between the U.K. and the European Union, including determining which European Union-derived laws to replace or replicate in the event of the U.K.'s withdrawal. The referendum has also given rise to further consideration for withdrawal from other European Union member states. These developments, or the perception that they can occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, which may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity, restrict our access to capital or disrupt the operations and growth strategies of our subsidiaries in the region, which could have a material adverse effect on our business, financial condition and results of operations.

Litigation

In addition to the litigation referenced herein (see "Legal proceedings" on page 49) and occurring in the ordinary course of business, Just Energy may in the future be subject to class actions and other actions arising in relation to its consumer contracts and marketing practices. This litigation is, and any such additional litigation could be, time consuming and expensive and could distract the executive team from the conduct of Just Energy's daily business and may result in costly settlement arrangements. An adverse resolution or reputational damage of any specific lawsuit could have a material adverse effect on Just Energy's business or results of operations and the ability to favourably resolve other lawsuits.

In certain jurisdictions, independent contractors that contracted with Just Energy to provide door-to-door sales have made claims, either individually or as a class, that they are entitled to employee benefits such as minimum wage or overtime pursuant to legislation, even though they have entered into a contract with Just Energy that provides that they are not entitled to benefits normally available to employees. Just Energy's position has been confirmed in some instances and overturned by regulatory bodies and courts in others, and some of these decisions are under appeal. Should the regulatory bodies or claimants ultimately be successful, Just Energy would be required to remit unpaid tax amounts plus interest and might be assessed a penalty, of which amounts could be substantial.

RETAIL RISK

Retail customer risk is a potential loss that may be incurred as a result of change in customer behaviour and from an increase in competition in the retail energy industry.

Consumer contract attrition and renewal rates

Just Energy may experience an increase in attrition rates and lower acceptance rates on renewal requests due to commodity price volatility, increased competition or change in customer behaviour. There can be no assurance that the historical rates of annual attrition will not increase substantially in the future or that Just Energy will be able to renew its existing energy contracts at the expiry of their terms. Any such increase in attrition or failure to renew could have a material adverse impact on Just Energy's business, financial condition, operating results, cash flow, liquidity and prospects.

Customer credit risk

Just Energy has customer credit risk in various markets where bills are sent directly to customers for energy consumption from Just Energy. If a significant number of direct bill customers were to default on their payments, it could have a material adverse effect on the results of operations, cash flow and liquidity of Just Energy.

For the remaining customers, the LDCs provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee. There is no assurance that the LDCs that provide these services will continue to do so in the future, which would mean that Just Energy would have to accept additional customer credit risk.

Competition

A number of companies and incumbent utility subsidiaries compete with Just Energy in the residential, commercial and small industrial market. It is possible that new entrants may enter the market as marketers and compete directly for the customer base that Just Energy targets, slowing or reducing its market share. If the LDCs are permitted by changes in the current regulatory framework to sell natural gas or electricity at prices other than at cost, their existing customer bases could provide them with a significant competitive advantage. This could limit the number of customers available for marketers, including Just Energy, and impact Just Energy's growth and retention.

Sales channel risk

Just Energy's residential customers are generally acquired through the use of online advertising, telemarketing and door-to-door sales. Commercial customers are primarily solicited through commercial brokers. Just Energy's ability to increase revenues in the future will depend significantly on the success of these marketing techniques, as well as its ability to expand into new sales channels to acquire customers. There is no assurance that competitive conditions will allow this sales channel strategy to continue or whether new sales channels will be successful in signing up new customers. Further, if our services are not attractive to, or do not generate sufficient revenue for our Independent Brokers, we may lose these existing relationships, which would have a material adverse effect on our business, revenues, results of operations and financial condition.

Retailer and product acceptance risk

Just Energy's profitability and growth depends upon the customer's broad acceptance of energy retailers and their products. There is no assurance that customers will widely accept Just Energy or its retail energy products. The acceptance of Just Energy's products may be adversely affected by Just Energy's ability to offer a competitive value proposition, and customer concerns relating to product reliability and general resistance to change. Unfavourable publicity involving customer experiences with other energy retailers could also adversely affect Just Energy's acceptance. Lastly, market acceptance could be affected by regulatory and legal developments. Failure to achieve deep market penetration may have material adverse effects on Just Energy's business, financial condition and results of operations.

BUSINESS OPERATIONS RISKS

Business operations risk is a potential loss occurring from an unplanned interruption or cyber-attack, manual or system errors, or business earnings risk unique to the retail energy sales industry.

Cyber risk

Just Energy's business requires retaining important customer information that is considered private, such as name, address, banking and payment information, drivers' licenses, and Social Security and Social Insurance numbers. Although Just Energy protects this information with restricted access and enters into cyber risk insurance policies, there could be a significant adverse impact to the business, reputation and customer relations should the private information be compromised due to a cyber-attack on Just Energy's information technology systems.

Just Energy's vendors, suppliers and market operators rely on information technology systems to deliver services to Just Energy. These systems may be prone to cyber-attacks, which could result in market disruption and impact Just Energy's business operations, finances and cash.

Just Energy is also subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Just Energy's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by our customers. There can be no assurance that the limitations of liability in Just Energy's contracts would be enforceable or adequate or would otherwise protect Just Energy from any such liabilities or damages with respect to any particular claim. The successful assertion of one or more large claims against Just Energy that exceeds its available insurance coverage could have an adverse effect on our business, financial condition and results of operations.

Information technology systems

Just Energy relies on information technology ("IT") systems to store critical information, generate financial forecasts, report financial results and make applicable securities law filings. Just Energy also relies on IT systems to make payments to suppliers, pay commissions to brokers and independent contractors, enroll new customers, send monthly bills to customers and collect payments from customers. Failure of these systems could have a material adverse effect on Just Energy's business and financial prospects or cause it to fail to meet its reporting obligations, which could result in a suspension or delisting of its common shares.

Model risk

The approach to calculation of market value and customer forecasts requires data-intensive modelling used in conjunction with certain assumptions when independently verifiable information is not available. Although Just Energy uses industry standard approaches and validates its internally developed models, should underlying assumptions prove incorrect or an embedded modelling error go undetected in the vetting process, this could result in incorrect estimates and thereby have a material adverse impact on Just Energy's business, financial condition, results of operations, cash flow and liquidity.

Accounting estimates risks

Just Energy makes accounting estimates and judgments in the ordinary course of business. Such accounting estimates and judgments will affect the reported amounts of Just Energy's assets and liabilities at the date of its financial statements and the reported amounts of its operating results during the periods presented. Additionally, Just Energy interprets the accounting rules in existence as of the date of its financial statements when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, or if Just Energy's auditors or regulators subsequently interpret Just Energy's application of accounting rules differently, subsequent adjustments could have a material adverse effect on Just Energy's operating results for the period or periods in which the change is identified. Additionally, subsequent adjustments could require Just Energy to restate historical financial statements.

Risks from adoption of new accounting standards or interpretations

Implementation of and compliance with changes in accounting rules and interpretations could adversely affect Just Energy's operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that Just Energy must comply with are complex and continually changing. While Just Energy believes that its financial statements have been prepared in accordance with IFRS, Just Energy cannot predict the impact of future changes to accounting principles or Just Energy's accounting policies on its financial statements going forward.

Risks from deficiencies in internal control over financial reporting

Just Energy may face risks if there are deficiencies in its internal control over financial reporting and disclosure controls and procedures. The Board of Directors, in coordination with the Audit Committee, is responsible for assessing the progress and sufficiency of internal control over financial reporting and disclosure controls and procedures and makes adjustments as necessary. Any deficiencies, if uncorrected, could result in Just Energy's financial statements being inaccurate and in future adjustments or restatements of Just Energy's historical financial statements, which could adversely affect the business, financial condition and results of operations of Just Energy.

Outsourcing and third party service agreements

Just Energy has outsourcing arrangements to support its call centre's requirements for business continuity plans and independence for regulatory purposes, billing and settlement arrangements for certain jurisdictions, scheduling responsibilities in certain jurisdictions and operational support for its operations in the United Kingdom. Contract data input is also outsourced as is some corporate business continuity, IT development and disaster recovery functions. Should the outsourced counterparties not deliver their contracted services, Just Energy may experience service and operational gaps that adversely impact customer retention and aggregation and cash flows.

In most jurisdictions in which Just Energy operates, the LDCs currently perform billing and collection services. If the LDCs cease to perform these services, Just Energy would have to seek a third party billing provider or develop internal systems to perform these functions. This could be time consuming and expensive.

Disruption to infrastructure

Customers are reliant upon the LDCs to deliver their contracted commodity. LDCs are reliant upon the continuing availability of their distribution infrastructure. Any disruptions in this infrastructure as a result of a hurricane, act of terrorism, cyber-attack or otherwise could result in counterparties' default and, thereafter, Just Energy enacting the force majeure clauses of their contracts. Under such severe circumstances there could be no revenue or margin for the affected areas.

Additionally, any disruptions to Just Energy's operations or sales office may also have a significant impact on business and financial prospects. Although Just Energy has insurance policies that cover business interruption and natural calamities, in certain cases, the insurance coverage may not be sufficient to cover the potential loss.

OTHER RISKS

Share price volatility risk

The common and preferred shares currently trade on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE"). The trading price of the shares has in the past been, and may in the future be, subject to significant fluctuations. These fluctuations may be caused by events related or unrelated to Just Energy's operating performance and beyond its control. Factors such as actual or anticipated fluctuations in Just Energy's operating results (including as a result of seasonality and volatility caused by mark to market accounting for commodity contracts), fluctuations in the share prices of other companies operating in business sectors comparable to those in which Just Energy operates, outcomes of litigation or regulatory proceedings or changes in estimates of future operating results by securities analysts, among other things, may have a significant impact on the market price of the common shares or preferred shares. In addition, the stock market has experienced volatility, which often has been unrelated to the operating performance of the affected companies. The preferred shares may be adversely affected by changes in market interest rates. These market fluctuations may materially and adversely affect the market price of the common and preferred shares, which may make it more difficult for shareholders to sell their shares.

Management retention risk

Just Energy's future success will depend on, among other things, its ability to keep the services of its management and to hire other highly qualified employees at all levels. Just Energy will compete with other potential employers for employees, and may not be successful in hiring and keeping the services of executives and other employees that it needs. The loss of the services of, or the inability to hire, executives or key employees could hinder Just Energy's business operations and growth.

Risks related to the preferred shares

Dividends paid on the preferred shares to a U.S. holder (or other non-resident holder) may be subject to Canadian withholding tax

Since Just Energy is incorporated in Canada, dividends on preferred shares paid or credited or deemed to be paid or credited to a non-resident holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividends, subject to any reduction in the rate of withholding to which the non-resident holder is entitled under any applicable income tax treaty or convention between Canada and the country in which the non-resident holder is resident. For example, where a non-resident holder is a resident of the United States, is fully entitled to the benefits under the Canada-United States Tax Convention (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15% of the amount of such dividend.

The preferred shares represent perpetual equity interests in the Company

The preferred shares represent perpetual equity interests in Just Energy and, unlike Just Energy's indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the preferred shares may be required to bear the financial risks of an investment in the preferred shares for an indefinite period of time. In addition, the preferred shares will rank junior in right of payment to all Just Energy's existing and future indebtedness (including indebtedness outstanding under the credit facility, the 5.75% convertible debentures, the 6.5% convertible bonds and the 6.75% convertible debentures) and other liabilities, and any other senior securities the Company may issue in the future with respect to assets available to satisfy claims against Just Energy.

The preferred shares have not been rated

The Company has not sought to obtain a rating for the preferred shares, and the preferred shares may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the preferred shares or that the Company may elect to obtain a rating of the preferred shares in the future. In addition, the Company may elect to issue other securities for which Just Energy may seek to obtain a rating. If any ratings are assigned to the preferred shares in the future or if Just Energy issues other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the preferred shares. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the preferred shares. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the preferred shares may not reflect all risks related to the Company or the Company's business, or the structure or market value of the preferred shares.

The preferred shares are subordinated to our existing and future indebtedness, and a purchaser's interests could be diluted by the issuance of additional equity interests in the Company, including additional preferred shares, and by other transactions

The preferred shares are subordinated to all of Just Energy's existing and future indebtedness (including indebtedness outstanding under the credit facility, the 5.75% convertible debentures, the 6.5% convertible bonds and the 6.75% convertible debentures). Therefore, if Just Energy becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Company's assets will be available to pay its obligations with respect to the preferred shares only after the Company has paid all of its existing and future indebtedness in full. There may be insufficient assets remaining following such payments to make any payments to holders of the preferred shares then outstanding.

In addition, a significant amount of Just Energy's business is conducted through its subsidiaries. None of Just Energy's subsidiaries have guaranteed or otherwise become obligated with respect to the preferred shares and, as a result, the preferred shares will be structurally subordinated to all liabilities and other obligations of the Company's subsidiaries. Accordingly, Just Energy's right to receive assets from any of its subsidiaries upon its bankruptcy, liquidation or reorganization, and the right of holders of preferred shares to participate in those assets, is structurally subordinated to claims of that subsidiary's creditors, including trade creditors. Even if the Company were a creditor of any of its subsidiaries, its rights as a creditor would be subordinate to any security interest in the assets of that subsidiary and any indebtedness of that subsidiary senior to that held by the Company.

Investors should not expect Just Energy to redeem the preferred shares on the date the preferred shares become redeemable by the Company or on any particular day afterwards

The preferred shares have no maturity or mandatory redemption date and are not redeemable at the option of investors under any circumstances. The preferred shares may be redeemed by Just Energy at its option at any time on or after March 31, 2022, in whole or in part, out of funds legally available for such redemption, at a redemption price of US$25.00 per preferred share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. Any decision the Company may make at any time to redeem the preferred shares will depend upon, among other things, Just Energy's evaluation of its cash and capital position and general market conditions at that time and will be subject to limitations contained in the documents governing its indebtedness.

The Change of Control Conversion Right may make it more difficult for a party to acquire Just Energy or discourage a party from acquiring Just Energy

The Change of Control Conversion Right may have the effect of discouraging a third party from making an acquisition proposal to Just Energy or of delaying, deferring or preventing certain of our change of control transactions under circumstances that otherwise could provide the holders of our common shares and preferred shares with the opportunity to realize a premium over the then-current market price of such equity securities or that unitholders may otherwise believe is in their best interests.

Just Energy could be prevented from paying cash dividends on the Series A preferred shares

Holders of preferred shares do not have a right to dividends on such shares unless declared or set aside for payment by the Company's Board of Directors. No dividends on preferred shares shall be authorized by Just Energy's Board of Directors or paid, declared or set aside for payment by the Company at any time when the authorization, payment, declaration or setting aside for payment would be unlawful under the Canadian Business Corporations Act or any other applicable law, or when the terms and provisions of any limiting documents, including the credit facility, prohibiting the authorization, payment, declaration or setting aside for payment thereof or provide that the authorization, payment, declaration or setting aside for payment thereof would constitute a breach of such documents.

Legal proceedings

Just Energy's subsidiaries are party to a number of legal proceedings. Other than as set out below, Just Energy believes that each proceeding constitutes a routine legal matter incidental to the business conducted by Just Energy and that the ultimate disposition of the proceedings will not have a material adverse effect on its consolidated earnings, cash flows or financial position.

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Ohio Federal Court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. A jury trial on the liability phase was completed on October 6, 2014. The jury refused to find a wilful violation by Just Energy but reached a verdict that supports the plaintiffs' class and collective action that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements pursuant to the FLSA and Ohio wage and hour laws. Just Energy disagrees with the result of the October 2014 trial and is of the opinion that it is not supported by existing law and precedent. On January 9, 2015, the Court struck the plaintiffs' damage expert report. Potential amounts owing have yet to be determined and will be subject to a separate damage phase proceeding. Just Energy made a request for an early appeal of the liability phase decision (before the damage phase was completed), referred to as an interlocutory appeal. The trial judge granted Just Energy's request. But in November 2015, the United States Court of Appeals for the Sixth Circuit refused the early appeal, indicating the issues did not warrant early review. Just Energy's appeal opportunities remain open after conclusion of the damages phase, which still remains unscheduled by the Court. Just Energy strongly believes it complied with the law and continues to vigorously defend against the claims.

In August 2013, Levonna Wilkins, a former door-to-door independent contractor for Just Energy Marketing Corp. ("JEMC"), filed a lawsuit against Just Energy Illinois Corp., Commerce Energy Inc., JEMC and the Company (collectively referred to as "Just Energy") in the Illinois Federal District Court claiming entitlement to payment of minimum wage and overtime under Illinois wage claim laws and the FLSA on her own behalf and similarly situated door-to-door sales representatives who sold in Illinois. On March 13, 2015, the Court granted Wilkins' request to certify the lawsuit as a class action to include a class made up of Illinois sales representatives who sold for Just Energy Illinois and Commerce. On March 22, 2016, Just Energy's summary judgment motion to dismiss Wilkins' claims was denied. On June 16, 2016, the Court granted Just Energy's motion for reconsideration which objected to Wilkins' class definition and revised the definition to exclude sales representatives who sold for Commerce. Wilkins decided not to seek leave to file an interlocutory appeal of the Court's June 16 order. No trial date has been scheduled. Just Energy strongly believes it complied with the law and continues to vigorously contest this matter.

In March 2015, Kevin Flood, a former door-to-door independent contractor for Just Energy Marketing Corp., filed a lawsuit against JEMC, Just Energy New York Corp. and the Company (collectively referred to as "Just Energy") in New York Federal District Court (Southern District) claiming entitlement to payment of minimum wage and overtime under New York wage claim laws and the FLSA on his own behalf and similarly situated door-to-door sales representatives who sold in New York. On January 25, 2016, the Court granted Flood's request to certify the lawsuit as a class action for the FLSA claims to include a class made up of New York sales representatives who sold for Just Energy New York. 167 individuals opted in to the FLSA class. Flood also filed a request to certify the lawsuit as a class action for alleged violations of the New York wage claim laws, and Just Energy filed responsive papers. On January 20, 2017, the Court granted Just Energy's motion for summary judgment dismissing Flood's claims and denied the motion to certify the class action. Opt-in plaintiffs did not file any statements by the Court's February 3, 2017 deadline demonstrating that their claims are not similarly situated from Flood's claims, and therefore, their claims are dismissed. On February 16, 2017, Flood and opt-in plaintiffs filed an appeal of the dismissal of the Federal District Court's order to the Court of Appeals for the Second Circuit. The appeal remains pending. Just Energy strongly believes it complied with the law and will vigorously contest the appeal of the dismissal.

In May 2015, Kia Kordestani, a former door-to-door independent contractor ("IC") sales representative for Just Energy Corp., filed a lawsuit against Just Energy Corp., Just Energy Ontario L.P. and the Company (collectively referred to as "Just Energy") in the Superior Court of Justice, Ontario, claiming status as an employee and seeking benefits and protections of the Employment Standards Act such as minimum wage, overtime pay, and vacation and public holiday pay on his own behalf and similarly situated door-to-door sales representatives who sold in Ontario. On Just Energy's request, Mr. Kordestani was removed as a plaintiff but replaced with Haidar Omarali, also a former door-to-door sales representative. In August 2015, Omarali filed a motion to certify a proposed class action of door-to-door sales representatives, and the Court set a hearing for June 21, 2016. The Court issued its certification decision on July 27, 2016, which granted Omarali's request for certification with certain changes. Importantly, the Court refused to certify Omarali's request for damages on an aggregate basis, finding that any alleged class member damages "cannot be determined without proof by individual class members", and the Court left any further resolution on this issue to the common issues trial judge. The Court also refused to certify Omarali's request for the option of punitive damages against Just Energy and found that there was no evidence that Just Energy's conduct justified a punitive damages question, largely because the evidence presented showed that over the years Just Energy was "reassured that their sales agents were indeed ICs, not employees" by "various administrative agencies including the Canada Revenue Agency, the Workplace Safety and Insurance Board, and at least on one occasion before an employment officer of the Employment Standards Act". At Just Energy's request, the Court also certified a common issue on limitations which presents the question of whether claims for services provided before May 2013 are barred by the two-year limitations period set by statute. On September 16, 2016, Just Energy filed a motion for leave to appeal the class certification, which the Court denied on November 17, 2016. Per the court order, notice of the lawsuit was issued to class members in late February 2017. The parties will work with the Court to set examination and procedural deadlines. No trial date has been scheduled. Just Energy strongly believes it complied with the law and continues to vigorously contest this matter.

Controls and procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administrators, as of March 31, 2017. Based on that evaluation, the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2017.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management has used the criteria established in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Co-Chief Executive Officers and Chief Financial Officer, the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at March 31, 2017, the Company's internal control over financial reporting was effective based on the applicable criteria. The effectiveness of the Company's internal control over financial reporting has been audited by the independent auditors, Ernst & Young LLP, a registered public accounting firm that has also audited the consolidated financial statements of the Company as of and for the year ended March 31, 2017. Their Report of Internal Controls under Standards of the Public Company Accounting Oversight Board (United States), included in the consolidated financial statements, expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of March 31, 2017.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year ended March 31, 2017, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Corporate governance

Just Energy is committed to maintaining transparency in its operations and ensuring its approach to governance meets all recommended standards. Full disclosure of Just Energy's compliance with existing corporate governance rules is available at www.justenergygroup.com and is included in Just Energy's Management Proxy Circular. Just Energy actively monitors the corporate governance and disclosure environment to ensure timely compliance with current and future requirements.

Outlook

Just Energy continues to deploy its strategy to become a world-class consumer enterprise delivering superior value to its customers through a range of energy management solutions and a multi-channel approach. The Company has recently completed a phase of internal transformation centred on repairing its balance sheet and overall debt structure, as well as improving the profitability profile of its customer base.

Just Energy's growth plans centre on customer growth, geographic expansion, channel growth and enhancements, strategic acquisitions, and new products and structures.

Customer Growth – The Company's customer growth commitment centres on embracing and understanding the customer. We monitor our net promoter score regularly and seek appropriate measures to advance our score continuously while also preserving the improved profitability of our existing and newly added customers. We believe our customer growth strategy will result in improved attrition and renewal rates and ultimately generate net customer additions for Just Energy moving forward.

Geographic Expansion – The Company's near-term geographic expansion plan is centred on Europe, where the Company recently expanded into Germany and expects to expand into at least one additional new European market in the near term. The Company remains committed to evaluating further potential expansion in continental Europe, Japan, Mexico and beyond over the longer term.

Channel Growth and Enhancements – The Company has a robust pipeline of opportunities to expand existing and add new sales channels. These opportunities exist in retail, affinity marketing, authorized agent, telemarketing, and much more.

Strategic Acquisitions – While the Company will remain disciplined in adhering to maintaining a capital-light model, we will from time to time evaluate and pursue strategic acquisitions that meet our strict acquisition criteria.

New Products and Structures – Just Energy will continue to enhance its portfolio of energy management solutions. Superior value propositions, such as Just Energy's flat-bill and conservation bundles, commercial energy storage, Just Energy Perks customer loyalty program, unlimited plans, and smart sprinkler partnership with Skydrop, are generating great interest and are expected to contribute toward customer and Base EBITDA growth.

FISCAL 2018 OUTLOOK

Management believes that the Company will deliver fiscal 2018 Base EBITDA in the range of $210 million to $220 million. These expectations reflect continued solid performance in the base business, partially offset by significant investments to seed Just Energy's international operations, to further invest in product and geographic growth initiatives, and to pay upfront commissions related to customer growth in fiscal 2018.

While the opex investments in growth will present a challenge to fiscal 2018, management expects to still return to growth in Base EBITDA for fiscal 2019 and beyond, returning to the double-digit percentage growth as delivered in the past. This expectation is in line with Just Energy's previous performance under the current leadership team (fiscal 2015–2017) when the Company delivered a Base EBITDA CAGR of 10.2%, or 14.8% prior to the deduction related to Commercial customer acquisition costs.

The Company's balance sheet improvement initiatives have resulted in a significantly improved debt ratio and management remains committed to maintaining this level.

The repositioned business model has improved the Company's ability to drive profitability and cash generation, thus providing management with the confidence and freedom to commit to future dividend distributions at the current $0.50 per common share level and to maintain the preferred shares dividend.

Just Energy strives to deliver outstanding financial results, and has made significant progress towards achieving its objective of becoming a premier, world-class provider of energy management solutions. Management is encouraged by the stronger profitability in the business and remains confident Just Energy is delivering the appropriate dividend strategy, one that is supported by our continued ability to generate strong cash flow consistently. Management foresees continued, sustainable growth that will be driven by an expanded geographical footprint, continued product innovation, and new energy management solutions that align with customer demands.

CORPORATE INFORMATION

Corporate Office

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First Canadian Place
100 King Street West
Suite 2630, P.O. Box 355
Toronto, ON M5X 1E1

Investor Relations

905-795-3560
info@justenergy.com

Auditors

Ernst & Young LLP
Toronto, ON Canada

Transfer Agent and Registrar

Computershare Investor Services Inc.
100 University Avenue
Toronto, ON M5J 2Y1

Shares Listed

Toronto Stock Exchange
Trading symbol: JE

New York Stock Exchange
Trading symbol: JE

Annual General Meeting

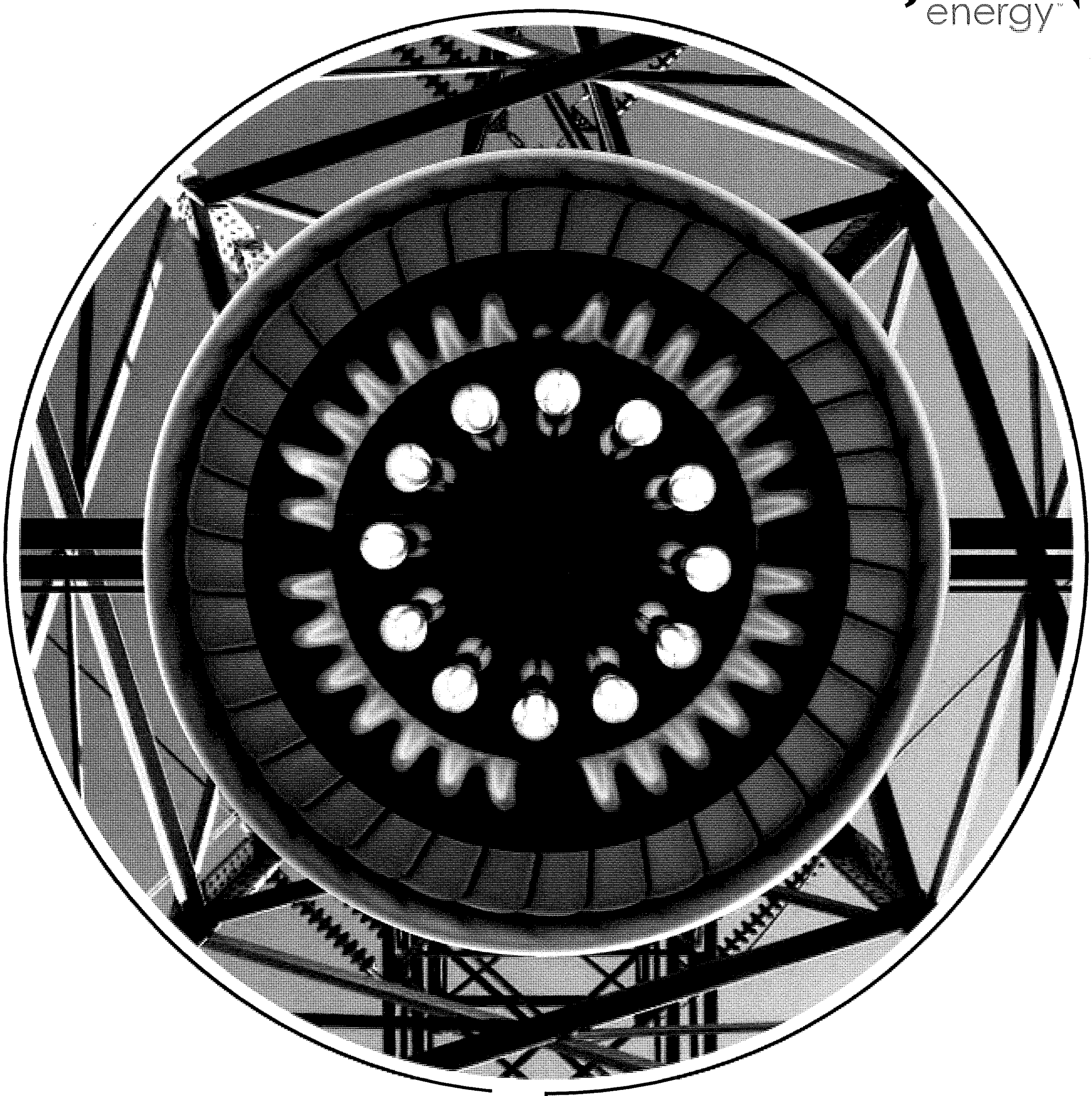
TSX Broadcast Centre
130 King Street West
Toronto, ON
10:00 am Eastern
June 27, 2017

just energy

CELEBRATING 20 YEARS

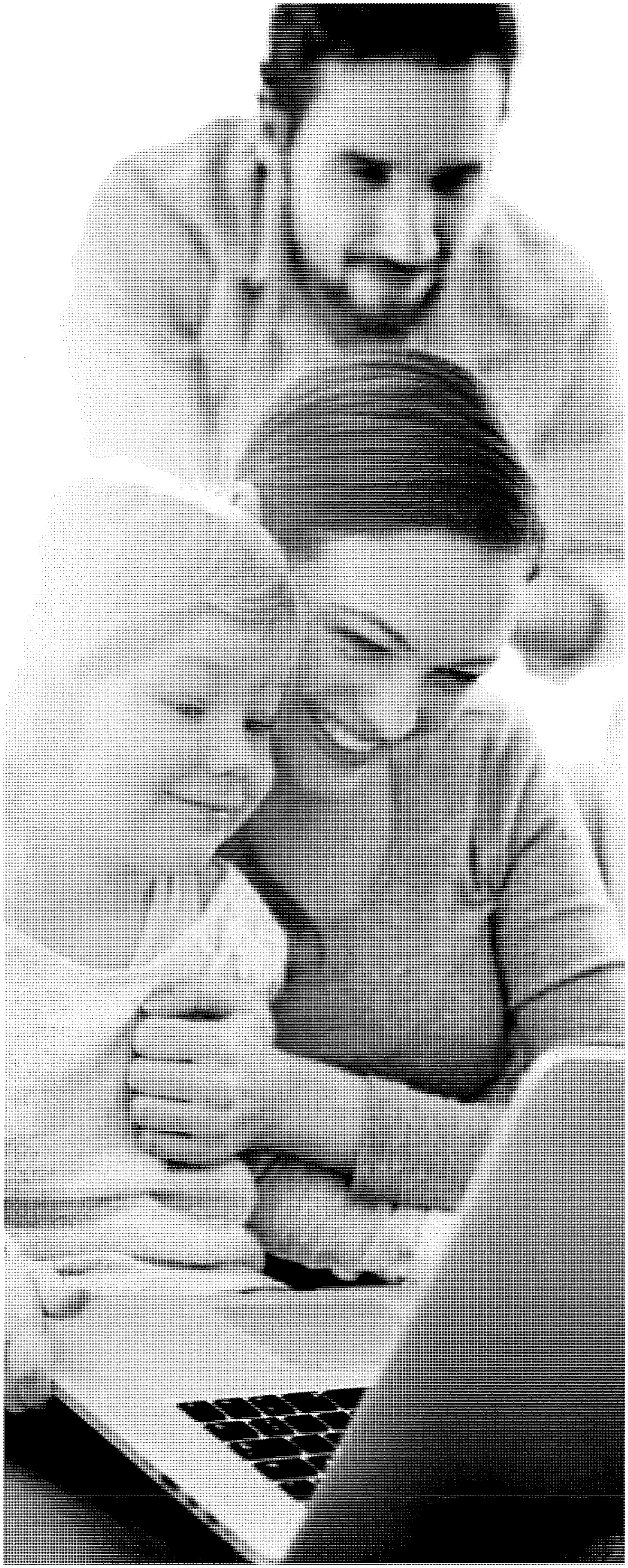
justenergygroup.com

just energy | Hudson Energy | Tara Energy | amigo energy | GreenSTAR energy | terrapass



INSIGHT ACTION RESULTS

ANNUAL REPORT 2016



GROWTH IN KEY METRICS

$4,106 MILLION

Grew sales by 5% over last year

$702 MILLION

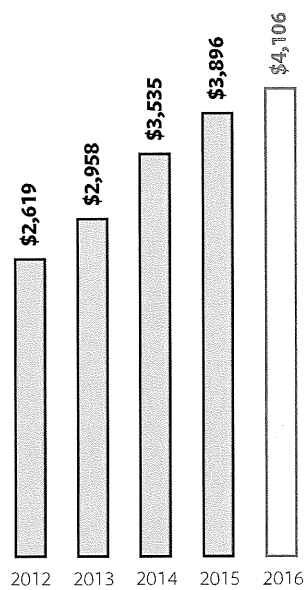
Increased gross margin by 17% year over year

$208 MILLION

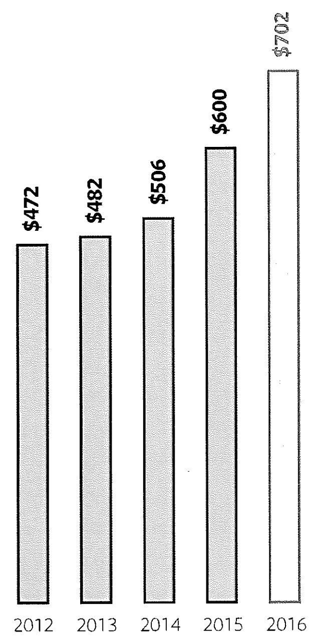
Improved Base EBITDA by 15% year over year

At Just Energy, we are guided by a clear vision of the future – of where the energy sector is going, what customers will want next and where market opportunities can be found. What sets us apart from the rest of our industry is the ability to transform that insight into action by developing effective strategies and compelling products that capitalize on change and deliver tangible results and real value to our customers and our investors.

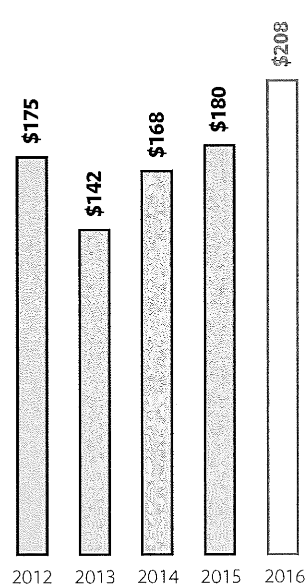
REVENUE
(C$ MILLIONS)



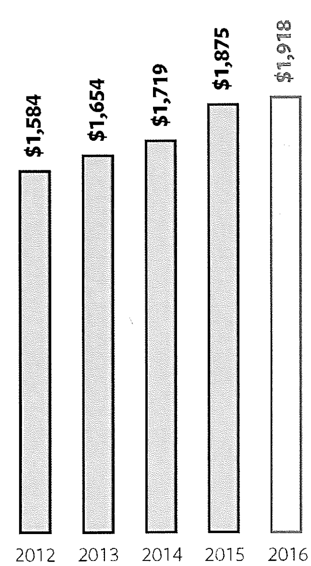
GROSS MARGIN
(C$ MILLIONS)



BASE EBITDA
(C$ MILLIONS)



EMBEDDED GROSS MARGIN (C$ MILLIONS)



just energy™

Established in 1997, Just Energy (NYSE:JE, TSX:JE) is an energy management solutions provider specializing in electricity, natural gas, solar and green energy. With offices located across the United States, Canada and the United Kingdom, Just Energy serves two million residential and commercial customers.

AT-A-GLANCE

Just Energy is an energy management solutions provider with a diverse geographic, product and leadership position in green energy sales and product innovation.

Market Position

ACTIVE IN 20 deregulated utility commodity MARKETS in North America

4th LARGEST North American RESIDENTIAL RETAILER*

9th LARGEST commercial retailer IN THE U.S.*

* DNV Kema Market Report, June 2015

Consumer

Description

- Targets residential and small commercial customers
- Operates in the U.S., Canada and the U.K.
- 1,884,000 RCEs

Main Products

- Fixed price
- Flat bill
- Variable price
- Rooftop solar
- Carbon offset solutions

Gross Margin ($ and %)

- $538,646,000
- 77%

Commercial

Description

- Targets mid-size commercial customers (15 RCEs or more)
- Operations in the U.S., Canada and the U.K.
- 2,636,000 RCEs

Main Products

- Fixed price
- Variable price
- JustGreen
- Carbon offset solutions

Gross Margin ($ and %)

- $163,642,000
- 23%

Just Energy measures its energy customer base in residential customer equivalents ("RCEs") based on the average natural gas or electricity consumption of a typical household.

Our Brands

just energy

amigo energy

commerce energy

GreenSTAR energy

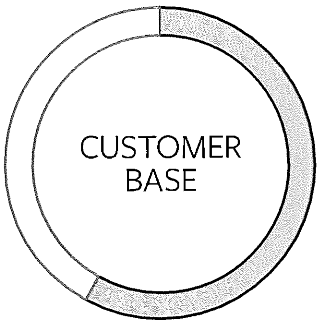
Hudson Energy

just energy SOLAR

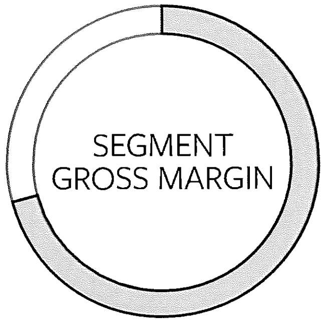
Tara Energy

terrapass

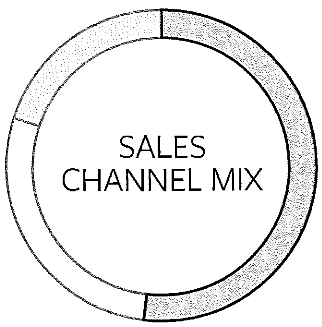
2016 Business Mix



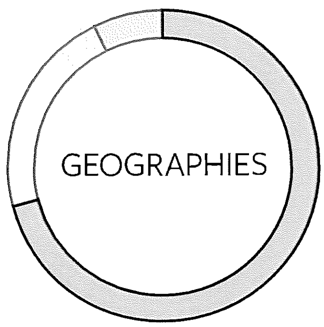
- Commercial 58%
- Consumer 42%



- Electricity 71%
- Natural gas 29%



- Commercial brokerage 52%
- Online and other 28%
- Door-to-door 20%



- U.S. 71%
- Canada 22%
- U.K. 7%

Vision and Pillars

Just Energy stands by its vision to be the gold standard in retail energy, delivering stability, value and innovation in every customer, shareholder, employee and community relationship. Our vision serves as the framework for every aspect of our business.

Value

Striving to deliver the highest satisfaction and greatest benefit to every customer, shareholder, employee and community partner.

Stability

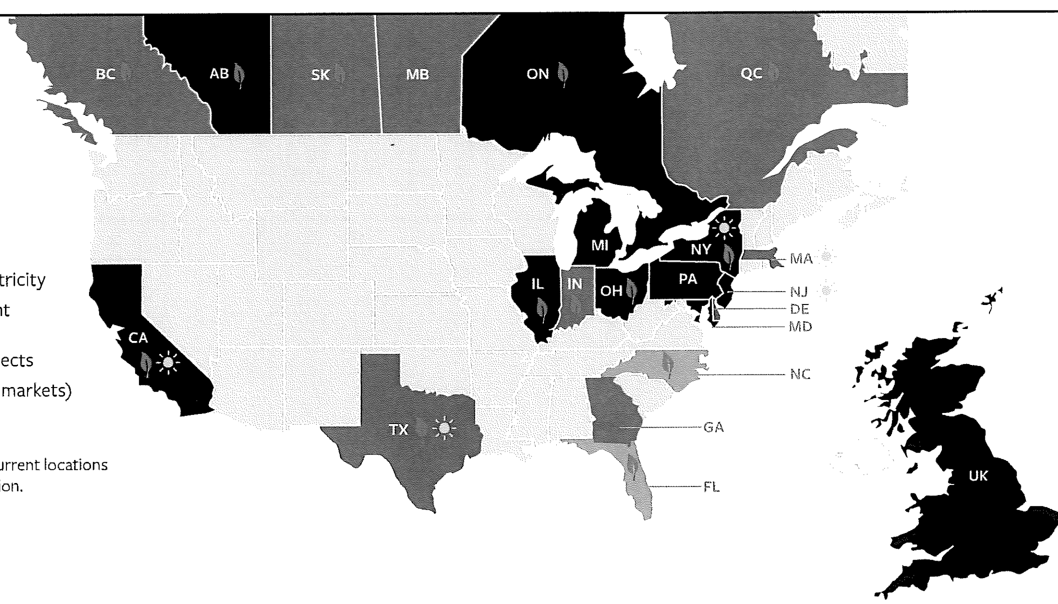
Ensuring we consistently deliver dependable, predictable products and service, reliable investor returns and a strong commitment to community.

Innovation

Challenging ourselves daily to explore forward-thinking solutions and progressive options to deliver gold-standard products and services.

Just Energy Group Markets

- Natural gas
- Electricity
- Both natural gas and electricity
- Just Energy Solar* current and 12 month plan
- Investments in green projects
- TerraPass (available in all markets)



* Just Energy Solar represents current locations as well as planned solar expansion.

POSITIONED FOR GROWTH

Rebecca MacDonald
Executive Chair, Just Energy *(Centre)*

James Lewis
Co-Chief Executive Officer *(Left)*

Deb Merril
Co-Chief Executive Officer *(Right)*

Dear fellow shareholders:

Fiscal year 2016 was a tremendous year for Just Energy on a number of fronts. Our business performed very well, exceeding our expectations and delivering strong top- and bottom-line results while generating meaningful cash flow. In parallel with delivering strong results, we were able to take strategic measures to position the Company for continued long-term success and set the course toward achieving our objective of becoming a premier world-class provider of energy management solutions.

Over the past two years, we have taken strong action to improve our financial position in order to capture more accretive profits and cash flows that will support our growth strategy. We've been successful in reducing debt; selling capital-intensive, non-core assets; enhancing customer margins; and achieving a sustainable dividend payout ratio. We have also continued to build on our core strengths, such as our world-class risk management practices, to deliver stable, predictable results even in the midst of market volatility.

This positive change is resulting in improved scale and leverage in our model. This was evident in our ability to take 5% top-line sales growth and deliver 17% gross margin and 15% base EBITDA growth during the year. Our improved profitability is also supporting our ability to generate significant cash flows and improve base funds from operations, which grew by 49% in 2016. We're confident these consistent, performance-driven results are the new normal at Just Energy.

Embracing Industry Change

The strong foundation upon which we enter fiscal 2017 has the Company positioned to participate in the significant growth opportunities that exist in our changing industry. The energy management solutions industry is in the midst of a significant transformation as consumers demand value added products that address the changing manner in which energy will be consumed. Just Energy is at the forefront of this movement, and we are excited about the possibilities that these trends bring to our Company and our shareholders.

We are guided by a clear vision of the future – of where the energy sector is going, what customers will want next, and where market opportunities exist. What sets us apart from the rest of our industry is our ability to transform that insight into action by developing effective strategies and compelling products that capitalize on change and deliver real value.

We continue to see a rapid evolution in the way people buy, consume and manage energy. Today, we can give customers access to technology, data and solutions that wouldn't have seemed possible even just a few years ago. Historically, our customers wanted the peace of mind that comes with locking in energy prices. However, today's customers also want more value, choices and control. We embrace this change by challenging ourselves daily to explore forward-thinking solutions and progressive options to deliver gold-standard products and services.

Our future success and growth plans centre on continued geographic expansion, structuring superior product value propositions, and enhancing the portfolio of energy management offerings.

Our geographic expansion plans are focused in Europe where we are actively evaluating new markets. Our United Kingdom business is thriving and we're successfully adding consumer and commercial customers in a profitable manner. We believe this early success validates our ability to compete outside of North America and we plan to take this experience and expand into two new European nations this year.

A large part of our ongoing success will be driven by our ability to provide innovative products that take advantage of technological advances and offer a superior value proposition to our customers. New products like our "Unlimited Plan" are driving incremental margins because customers value predictability. Our bundled product offerings still hold great appeal and command premium pricing with higher value products that provide customers more control over their energy consumption. We were one of the first major energy retailers to offer green energy and our "Just Green" offering continues to gain traction. We reached 60,000 SmartStat thermostat customers as well this year. We also started bundling energy efficient LED light bulbs with our commodity products, and we added air filters to our suite of options. Each of these innovative products is gaining more appeal and delivering more value to customers which in turn is allowing us to price our solutions at premiums while retaining customers for longer durations.

In summary, it has been an incredible year for our Company, and one we feel places us squarely on the best path to becoming the premier world-class provider of energy management solutions. Our business is healthy and the key performance indicators for our business – earnings, gross margin and cash flow – are strong and growing even stronger with visibility to sustained profitability over the long term. We have a leading market position in all of our geographic territories and our sales and marketing expertise will allow us to grow with the evolving needs of our target customers.

We're committed to delivering another year of double-digit earnings growth, maintaining our stable dividend, pursuing prudent geographic expansion and further strengthening the Company's financial and strategic position in the coming year. Through prudent fiscal management and a clear strategy, we are in an excellent position heading into a very promising 2017.

We want to thank the entire Board for their continued support of the strategy and business, and all of our employees for their ongoing dedication and hard work.

Yours truly,

/s/ Rebecca MacDonald	/s/ Deb Merril	/s/ James Lewis
Rebecca MacDonald Executive Chair	**Deb Merril** Co-Chief Executive Officer	**James Lewis** Co-Chief Executive Officer

"Our business is healthy and the key performance indicators for our business – earnings, gross margin and cash flow – are strong and growing even stronger with visibility to sustained profitability over the long term."

CUSTOMERS ARE AT THE CENTRE OF EVERYTHING WE DO

4.5 MILLION

residential customer equivalents ("RCEs")

66%

fixed-price contracts

34%

of new residential customers added a renewable energy component to their commodity contract

Just Energy came to the market with a new way for consumers to enjoy peace of mind and energy price security. We were one of the first major energy retailers to offer green energy products, and we are breaking new ground in energy management solutions. A customer-centric approach to innovation and new products drives our success and ensures that we deliver high-demand, high-value products that fit with what we know best.

Fixed price	66%
Variable price	26%
Index	3%
Flat bill	5%

Products People Want

We continue to see a rapid evolution in the way people buy, use and manage energy. Historically, our customers wanted the peace of mind and energy price security that comes with locking in energy prices for up to five years. Most still do. However, today's customers also want more value, choice and control.

Just Energy's target residential customers are the "domestic CEOs" – the people responsible for creating a comfortable, efficient, budget-friendly home for their family. Through a strong commitment to product and technological innovation, we are able to offer options that bring more value to them than traditional industry products – whether it be fixed pricing, green products, energy management tools, rebates for reducing their consumption, or other features.

Our commercial customers are typically small and mid-size businesses and institutions that need stability and predictability in their energy costs. Just Energy has succeeded in the commercial market by offering everything from standard fixed offerings to "one off" agreements tailored to a customer's specific needs. Products can be either fixed or floating rate, or a blend of the two, and normally have terms of less than five years.

Unlimited Plan Fits the Bill

The Unlimited Plan is our latest product innovation. Launched in seven markets and three countries, it's a flat-bill product that fills an industry gap and has been well received by residential customers. The Unlimited Plan offers them a fixed monthly supply price for natural gas and electricity, eliminating both rate and volume risk from their bills. We position it as a way to weatherproof your bill – no matter how harsh the winter weather, your energy bill remains the same. While the Unlimited Plan goes by different names in different markets, the end result is the same: no surprises, comfort without compromise, and peace of mind all year long.

Customer Promise

Today's customers expect outstanding service and we are committed to meeting their expectations. In addition to hiring exceptional people, and providing strong training, we are introducing a new brand promise that addresses many of our customers' biggest concerns head on:

No surprises – If your rate changes, we will inform you at least 30 days in advance.

No exit fee – If you need to cancel your contract, call us first and we will waive the exit fee.

No waiting – If you call us and we put you on hold for more than five minutes, we will send you a gift (to be rolled out in fiscal 2017).

Anytime switching – If you don't like your current energy product, just call us and we will put you on the program that's right for you.

Product Offerings

Fixed-price contracts
- Minimal exposure to fluctuations in commodity prices
- Allow customers to lock in their supply rates at their discretion for up to five years

Variable-price contracts
- Exposure to commodity price fluctuations
- Ability to lower rates as pricing decreases
- Option to lock in fixed price at any time if market rates start to rise

Green products
- Electricity provided by renewable sources
- Carbon offset credits
- Smart thermostats

Flat-bill contracts (Consumer only)
- Flat monthly charge regardless of usage
- Offer cost stability and predictability

Solar products (Consumer only)
- Rooftop solar panel installations
- Access to network of complementary services

Bundled options (Consumer only)
- Combine complementary products and energy efficiency tools such as smart thermostats

WE'RE ENERGIZED BY INNOVATION

Today, we can give people access to technology, data and solutions that wouldn't have seemed possible just a few years ago. It's an exciting time for our industry, and Just Energy is at the forefront when it comes to creating innovative approaches for helping customers reduce their energy footprints and manage budgets by controlling their home or offices' appliances and energy consumption.

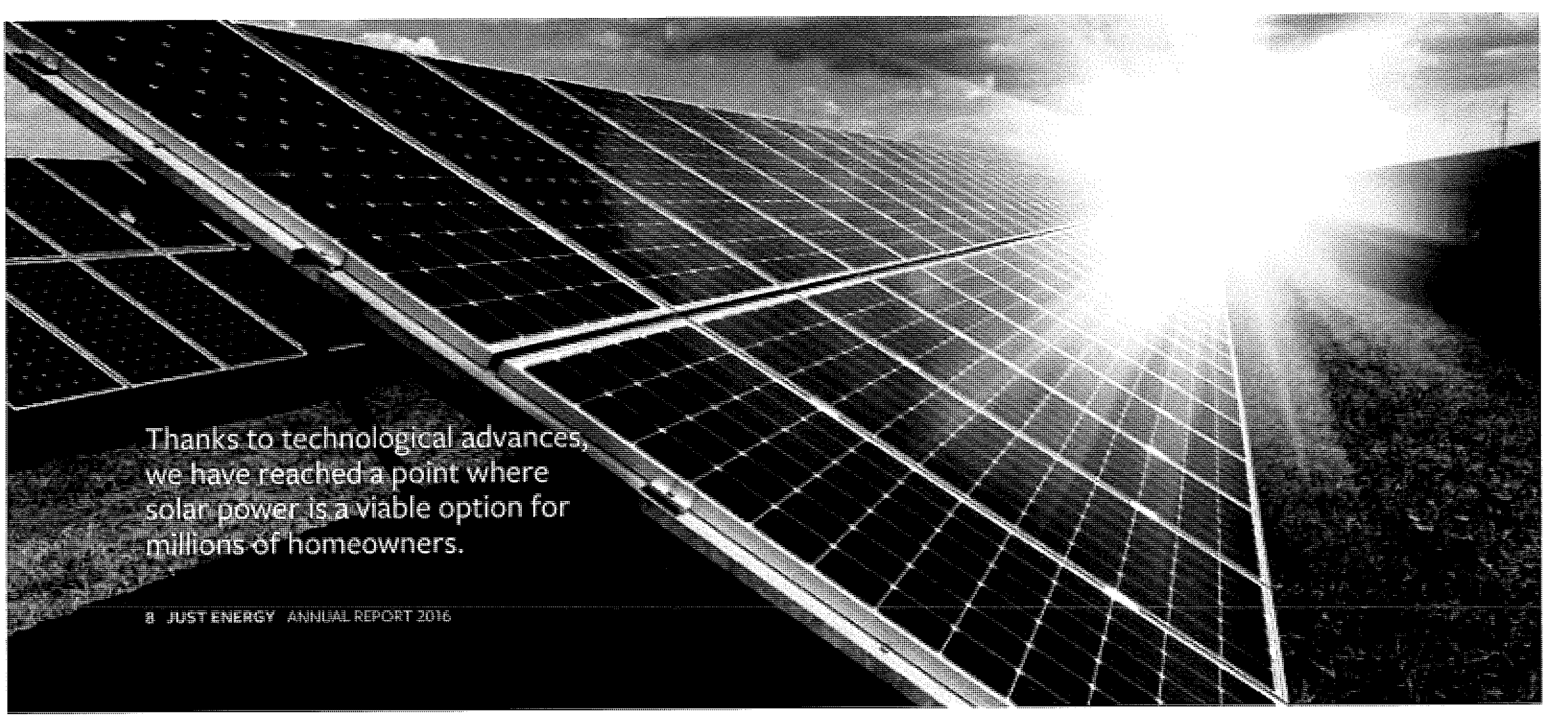
Energy Management Solutions

We are evolving our product portfolio to take advantage of technological advances. This can range from innovations such as smart thermostats to energy usage disaggregation algorithms that make the home more efficient and give consumers more control and more visibility into how they use energy.

Smart thermostats are a key driver of growth, and we are bundling them with commodity contracts to add value to our offerings. The WiFi-enabled thermostat uses data points to make intelligent and personalized heating and cooling decisions, adjusting the temperature based on a family's lifestyle or automatically lowering electricity usage during peak demand times when prices are highest. Users can program their thermostat from anywhere, including their smartphone.

In fiscal 2016, we started bundling energy efficient LED light bulbs with commodity products. We also added air filters to our suite of options, promoting the fact that regularly changing air filters saves on energy and HVAC repairs and improves indoor air quality.

In Ontario, we introduced an energy management bundle for non-commodity products. The program includes the smart thermostat, personalized energy consumption insights and reports, LED light bulbs and a rebate for energy usage reductions, and carbon offsets. Customers can track and monitor their daily energy use and are offered incentives if they upgrade to a commodity bundle.



Thanks to technological advances, we have reached a point where solar power is a viable option for millions of homeowners.

Residential Solar

Our newly launched residential solar business caters to the growing renewable energy customer base and brings high margin growth opportunities for Just Energy.

We signed a long-term agreement with Clean Power Finance (recently rebranded as Spruce) in which we sell solar products, earning origination income ahead of installation, and Spruce is responsible for product design and development, equipment, installation and maintenance. We launched pilots in California and New York and, based on the response so far, we are planning continued expansion in these regions. We expect the solar business to contribute $10 million towards our double-digit percentage Base EBITDA growth target for fiscal 2017.

With a 1.9 million-strong residential customer base and a sales force that knocks on more than 10 million doors annually, Just Energy is positioned as the partner of choice in the burgeoning residential solar industry. We believe that we can push the industry forward to develop more value-added customer-friendly products.

TerraPass and Green Energy Products

JustGreen was one of the first major energy retailers to offer green energy and our business continues to grow. With the recently signed Paris Agreement on climate change, countries and governments have strengthened their resolve to reduce carbon emissions, and businesses and individual households are doing the same. Approximately 34% of new residential customers added a renewable component to their commodity contract.

Our green electricity products give customers the option of having all or a portion of their commodity energy supply derived from certified renewable sources such as wind, run of river hydro, solar or biomass. Our gas product offers carbon offset credits from green sources such as methane capture projects. We also own the retail division of TerraPass, a company widely regarded for its carbon offset initiatives.

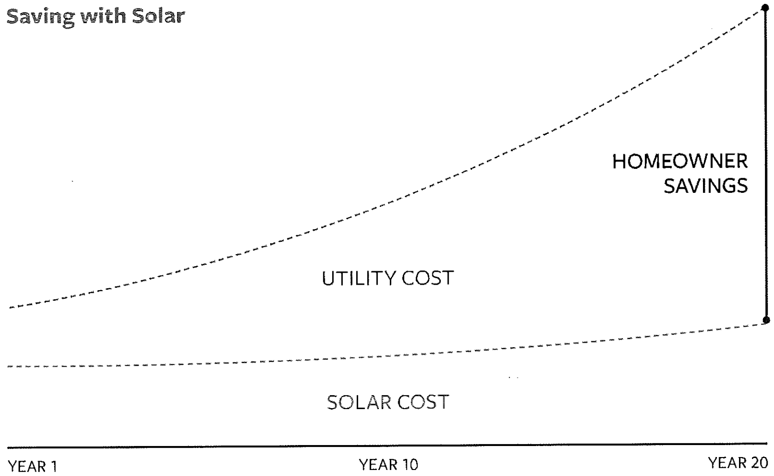
terrapass

60,000
smart thermostat customers

$42.8 MILLION
spent by Just Energy customers on green energy

16,000
LED light bulbs shipped, saving close to $2.5 million in energy costs

Saving with Solar



LED light bulbs typically use 75% less energy than traditional incandescent bulbs and last 35–50 times longer.*

* Source: energystar.gov

INTRODUCING A PROVEN MODEL TO NEW MARKETS

Just Energy started in Canada in 1997, as deregulation opened natural gas and electricity markets, and expanded into the U.S. in 2004 and the United Kingdom in 2012. We've developed an eye for evaluating market opportunities and a skill for quickly establishing ourselves as an innovative, competitive and reliable supplier wherever we operate. Now, as we pursue further growth abroad, we're applying the same winning formula.

308,000
customers in the U.K.

193%
compound annual growth rate of U.K. sales over the past four years

200%
year over year growth in U.K. EBITDA

Success in the U.K.

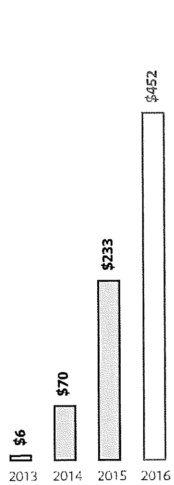
Just Energy's entry into the U.K. has been an unqualified success. While relatively mature, the U.K. market was seen as a good fit for our commercial business model and we signed our first deal in 2012.

In 2013, we signed a five-year strategic supply agreement with Shell Energy Europe Limited, providing us with long-term supply security and ensuring our ability to grow and offer competitive products in this new market. Also that year, we began selling residential supply under the Green Star Energy brand. Green Star Energy offers a fresh alternative to "the big six energy companies" that were created with the privatization of the U.K. energy sector in 1990. With a strong emphasis on offering simple, cost-effective natural gas and electricity products and providing exceptional customer service, the business has taken off.

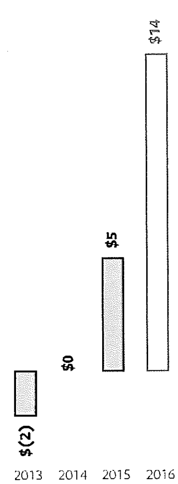
In fiscal 2016, our U.K. customers represented 7% of our total customer base. We have seen a 193% compound annual growth rate of sales over the past four years.

The key to success has been our ability to leverage our North American expertise, systems and processes, as well as our supplier relationships. We are also starting to bring some of our innovative North American products, like the new Unlimited Plan, to the U.K. which is opening new opportunities for Just Energy.

U.K. SALES (C$ MILLIONS)



U.K. EBITDA (C$ MILLIONS)

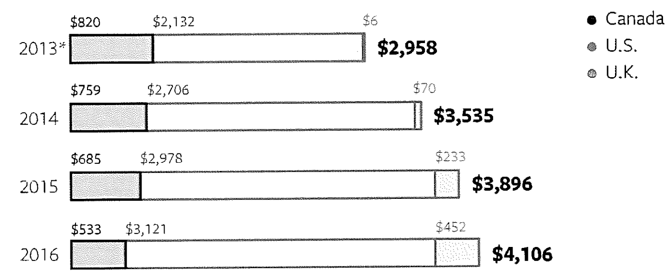


Green Star Energy was named Energy Provider of the Year 2016 by Consumer MoneyFacts.

Taking the Next Step

Our early success in the U.K. – a market considered hard to penetrate because it has been deregulated for longer than most – validates our model and our ability to compete outside of North America. We are currently evaluating marketing opportunities in continental Europe that offer strong demographics, clear participation and industry trends, and a favourable regulatory landscape. We expect to enter two new countries in fiscal 2017 and 2018.

HISTORICAL REVENUES BY GEOGRAPHY (C$ MILLIONS)



* 2013 revenues exclude $53 million of Home Services revenue.

Platform for Success

Our commercial business operates as Hudson Energy in the U.K. Just as in North America, the majority of sales are generated through a network of non-exclusive, independent brokers.

Our web-based sales portal, Hudson Connex, is a key asset that attracts brokers and has enabled us to gain a foothold in the market. The technology lets brokers generate comparative rates for customers within minutes, as opposed to days or weeks as was typical in the market. It also allows them to deliver customer-specific pricing and contract documents on demand, and it provides tools to manage their customer accounts after a sale is completed.

Unparalleled Supplier Relationships

Our longstanding relationships with leading commodity suppliers provide Just Energy with stability and competitive advantage. We have eight major supplier relationships responsible for 90% of our supply.

For renewable energy, we try to make our purchases from wind farms, and solar, biomass and landfill gas projects located in the local jurisdiction in which the products are sold. We have contracts with over 100 counterparties, from which we purchase renewable energy credits and carbon offsets. Our purchases help green developers finance their projects.

STRENGTHENING OUR FINANCIAL FOUNDATION

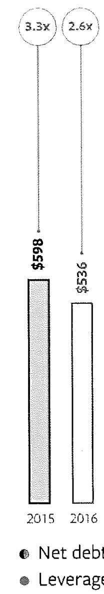
Over the past two years, we have taken strong action to improve our financial position and thereby support our growth strategy – reducing debt, selling capital-intensive, non-core assets, enhancing customer margins and lowering our dividend payout ratio. We have also continued to build on strengths, like our world-class risk management practices, to deliver stable, predictable results even in the midst of market volatility.

Improving Our Balance Sheet and Debt Position

To achieve the financial flexibility we need to pursue our growth strategy, debt reduction has been a clear priority. Solid cash flows have supported deleveraging. In the past two years, we also divested National Home Services, which dramatically decreased capital spending, and we lowered the dividend payout ratio – while upholding our commitment to an annual dividend. Our laser focus on improving the balance sheet enabled us to reduce net debt to 2.6 times EBITDA at year-end, compared to 3.3 a year earlier.

To support our efforts, we renegotiated a credit facility with a syndicate of lenders in fiscal 2016, increasing capacity, lengthening the term by three years and improving the lending rate. Our ability to do so reflects strong lender confidence in our business model and outlook, and will enable further debt reduction. The new facility, combined with continued strong earnings and cash flow generation, is more than sufficient to meet Just Energy's capital liquidity needs and expected growth investment requirements for the next three years.

NET DEBT AND LEVERAGE[1]
(C$ MILLIONS)



1 Net debt excludes restricted cash.

Annual Gross Margin Per Customer

	Fiscal 2016	Number of customers	Fiscal 2015	Number of customers
Consumer customers added and renewed	**$207**	888,000	$191	983,000
Consumer customers lost	**$196**	592,000	$184	635,000
Commercial customers added and renewed	**$84**	1,202,000	$79	1,171,000
Commercial customers lost	**$66**	732,000	$73	531,000

Customer Margin Enhancement

Efforts to improve margin per customer are enabling Just Energy to convert solid top-line sales growth into significant increases in Base EBITDA. Higher residential margins are a particularly positive trend as these customers are largely locked into five-year contract terms.

Product innovation is at the heart of our ability to increase margins. New products like the Unlimited Plan drive greater than average margin because customers see value in its predictability. Bundled products also hold greater appeal and command premium prices. By packaging a smart thermostat with a commodity contract, for instance, we can offer a higher value product that gives customers more control over their energy consumption – and drives lower attrition and higher profitability for us.

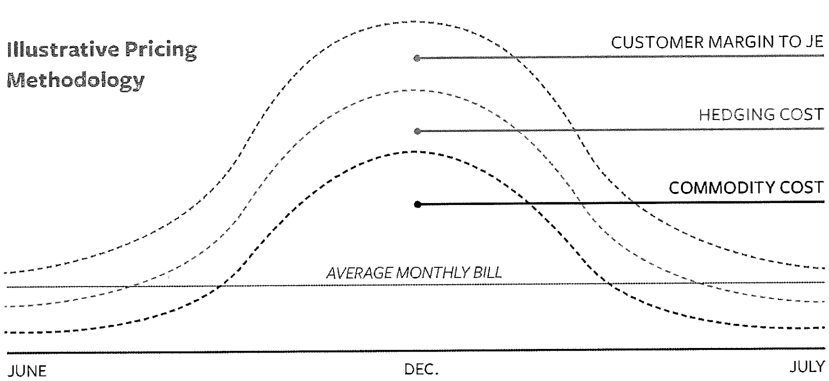
Another important factor in our customer margin improvement has been our strong emphasis on leveraging "big data". We have vast customer data assets, and we use advanced analytics to help us retain – and secure new – higher margin customers. At the same time, we have been able to remove lower margin commercial customers from our books.

Sound Risk Management

Just Energy's world-class risk management competency has helped us manage through sluggish economies, declining commodity prices, heightened competition and abnormal weather.

A team of 25 in-house experts minimizes commodity risk through a proven, and continually refined, hedging strategy. Commodity supply is purchased in advance of marketing, based on forecasted customer aggregation, for Consumer customers. We continually monitor and work to match commodity supply with contract terms, adjusting the hedge position as necessary in response to usage data and weather effects. Excess supply is immediately sold if commodity consumption lags and we make selective use of options to protect against weather variances and price spikes. All pricing, demand forecasting and hedging activity are subject to the Board-approved Risk Management Policy.

Illustrative Pricing Methodology



Predictability allows Just Energy to lock in commodity costs, pass through hedging costs and drive desired margins.

WE CARE ABOUT OUR COMMUNITIES

$50,000

grants awarded to three youth organizations as part of the Community Action Grants program

600

schoolchildren benefited from our Supplies 4 School program in the Dominican Republic

100

smart thermostats donated to Habitat for Humanity ReStore

We have made a strong commitment to promoting the health and well-being of people living in the markets we serve. Just Energy Foundation, our main vehicle for community giving, supports Canadian and U.S. hospitals, health organizations, food programs, children's programs and other charitable organizations that work to help our communities' most vulnerable residents.

Community Action Grants

Just Energy Foundation has teamed up with MLSE Foundation on the Community Action Grants program, in which each Maple Leaf Sports and Entertainment sport (hockey, basketball and soccer) awards a $50,000 grant to a charity that gives disadvantaged youth the opportunity to play that sport.

To date, the program has provided $50,000 grants to the Christie Ossington Neighbourhood Centre (March 2015), YouthLink (May 2015), Malvern Family Resource Centre (June 2015) and Boys & Girls Clubs of Hamilton (February 2016).

Goodwill Ambassador Program

Our Goodwill Ambassador Program ("GAP") gives every Just Energy employee one day off during the year to volunteer at the charity of his or her choice. So far, more than 70 employees have volunteered their time to assist local organizations such as food banks and shelters for the poor, homeless and vulnerable.

Many of our people teamed up to participate in Habitat for Humanity home builds for low-income families, as part of their GAP day. Teams took part in a Build Day Canada in Brampton, Ontario, in July, and a Build Day USA in Houston, Texas, in October. At the Brampton event, Just Energy donated 100 refurbished smart thermostats to the Habitat for Humanity ReStore, which sells home furnishings.

Sales Initiatives

Several of our sales teams and offices took it upon themselves to lend a helping hand – at home and away. Among them, our offices in Cambridge, Ontario, and Corpus Christi and Westchase in Texas ran Back to School supply drives, collecting and donating backpacks filled with school supplies and offering free haircuts to underprivileged children. The Philadelphia office prepared and distributed food three times during December and then turned the activity into a monthly initiative.

When the sales team got together for a leadership summit in Nashville, Tennessee, they spent part of their time assisting the Nashville Rescue Mission, a non-profit that offers food, clothing and shelter to homeless and recovery programs. Half of the team worked in the warehouse sorting donations, while others built bikes and wagons or filled backpacks for kids.

Nearly 400 Just Energy sales representatives attending a sales meeting in the Dominican Republic delivered school supplies and food to more than 600 students in four elementary schools as part of the Supplies 4 School program.

Innovative Sustainability Program

In 2015, TerraPass announced an innovative three-year partnership with the City of Palo Alto Utilities to launch and maintain its new PaloAltoGreen Gas program. It is the first-ever Green-e Climate certified gas offset program offered by a municipal-level utility. Through the voluntary PaloAltoGreen Gas program, utility customers can pay a small premium on their utility bill each month to offset the carbon emissions associated with their natural gas use.

See the Supplies 4 School video on our Facebook page at bit.ly/1TaWbGH

DIRECTORS AND OFFICERS

Just Energy's Board of Directors and management team believe that good governance supports the Company's long-term success, providing oversight and accountability, strengthening processes, and helping secure the confidence of our many stakeholders. Our corporate governance meets all the recommended standards established by the Canadian Securities Administrators.

Board of Directors

Our Board of Directors comprises the Executive Chair, Chief Executive Officers and a majority of non-management directors. The Board is monitored by a lead independent director. Board committees are composed of external directors only. Corporate governance details can be found in the Just Energy 2016 Management Proxy Circular.

Rebecca MacDonald
Executive Chair
Rebecca MacDonald was a founder of Just Energy Group Inc. and has held the position of Executive Chair since the IPO. From Just Energy's IPO to March 2005, Ms. MacDonald also held the position of Chief Executive Officer.

James Lewis
Co-Chief Executive Officer of Just Energy
James Lewis has been a senior executive of Just Energy since 2007. Mr. Lewis brings to his position as Co-President and Co-Chief Executive Officer of Just Energy more than 17 years of experience in the retail energy industry. Before assuming his latest role, Mr. Lewis served as Chief Operating Officer ("COO") for the Company, with accountability for corporate-wide strategic planning, policy and program development. Mr. Lewis was appointed a director of Just Energy in 2015.

Deb Merril
Co-Chief Executive Officer of Just Energy
Deb Merril is the Co-President and Co-Chief Executive Officer of Just Energy. She has been an officer of Just Energy since 2007. With more than 20 years of experience in the retail energy industry, Ms. Merril was appointed to her current role of Co-President and Co-Chief Executive Officer of Just Energy in April 2014. Prior to this, Ms. Merril led the organization's Commercial business as President of Hudson Energy. Ms. Merril was appointed a director of Just Energy in 2015.

Ryan Barrington-Foote
Managing Director, Accounting, The Jim Pattison Group
Ryan Barrington-Foote is currently the Managing Director, Accounting, at The Jim Pattison Group, where he has worked since 2001 with oversight responsibility for accounting and tax-related functions. From 1996–2001, he was associated with KPMG, where he earned his CA ("CPA") designation in 2001. Mr. Barrington-Foote has been a director of Just Energy since 2015.

John A. Brussa
Partner, Burnet, Duckworth & Palmer LLP
John Brussa is a partner in the Calgary-based law firm of Burnet, Duckworth & Palmer, specializing in the area of energy and taxation. He is also a director of a number of energy and energy-related corporations and income funds. Mr. Brussa has been a director of Just Energy since 2001.

R. Scott Gahn
President, Gulf Coast Security Services
Mr. Gahn is currently the President of Gulf Coast Security Services, Inc., a Houston-based security firm. Mr. Gahn has a long history in the deregulated energy industry, having sat on the Texas ERCOT board from 2005 to 2008 and having been involved in the sale of deregulated and regulated electricity and natural gas for 27 years. Mr. Gahn was appointed a director of Just Energy in 2013.

H. Clark Hollands
Corporate Director
H. Clark Hollands is a Chartered Accountant. He obtained his CA designation in 1977 and his FCA designation in 2008. He spent 25 years of his professional career as an international tax partner with KPMG in Vancouver, advising many significant Canadian-based multinational groups and large public companies on their international tax arrangements. Mr. Hollands has been a director of Just Energy since 2015.

Brett A. Perlman
President, Vector Advisors
Mr. Perlman is President of Vector Advisors, a management consulting firm that provides services to telecommunications and energy clients. He is also currently a fellow in the Advanced Leadership Initiative at Harvard University, where he is focused on climate change. Prior to this, he served as Commissioner of the Public Utility Commission of Texas from 1999 to 2003. In this role, he was responsible for leading the successful restructuring of Texas' $17 billion electric utility industry and $4 billion telecommunications industry as these opened to competition. Mr. Perlman has been a director of Just Energy since 2013.

George Sladoje
Principal, Sladoje Consulting
Mr. Sladoje serves as principal, Sladoje Consulting, where he specializes in providing regulatory and compliance consulting to organizations dealing in electricity and gas trading and has provided marketing services to grid operators across the United States. Mr. Sladoje served as CEO of NASDAQ OMX Commodities Clearing Company until 2011. He is also a CPA with previous working experience at a Big 8 accounting firm. Mr. Sladoje has been a director of Just Energy since 2012.

David F. Wagstaff
Corporate Director
David F. Wagstaff, a Chartered Accountant, is a seasoned financial executive with a broad range of experience in operational and financial restructuring, mergers and acquisitions, and investment evaluation and analysis including active participation on a number of private company, public and not-for-profit boards over the past 25 years. Mr. Wagstaff is the former Vice President and Chief Financial Officer of Jetport Inc. of Burlington, Ontario. Mr. Wagstaff has been a director of Just Energy since 2015.

William F. Weld
Principal, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Mr. Weld is a member of the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C. specializing in government strategies, corporate governance and compliance, and international business best practices. In addition, Mr. Weld served two terms as Governor of Massachusetts, elected in 1990 and re-elected in 1994. Prior to his terms as governor, Mr. Weld was a federal prosecutor and served as Assistant U.S. Attorney for the U.S. Justice Department. Mr. Weld has been a director of Just Energy since 2012.

Officers

Just Energy's experienced management team is responsible for establishing and implementing the Company's long-range goals, strategies, plans and policies, subject to the Board's direction and oversight. To ensure that management acts in the best interest of shareholders, we mandate high share ownership for all senior managers and align bonuses with strict performance measurements determined by our Board.

Rebecca MacDonald
Executive Chair

James Lewis
Co-Chief Executive Officer

Deb Merril
Co-Chief Executive Officer

Pat McCullough
Chief Financial Officer

Jonah Davids
Executive Vice President, General Counsel and Corporate Secretary

Ash Rajendra
Chief Information Officer

Morgan Smith
Chief Sales Officer

Executive Officers (from left to right): Jonah Davids, Executive Vice President, General Counsel and Corporate Secretary; Ash Rajendra, Chief Information Officer; James Lewis, Co-Chief Executive Officer; Rebecca MacDonald, Executive Chair; Deb Merril, Co-Chief Executive Officer; Pat McCullough, Chief Financial Officer; Morgan Smith, Chief Sales Officer.

2016 HIGHLIGHTS

Sales of $4,105.9 million, up **5%** year over year

Base Funds from operations **up 49%** year over year

Gross margin rose 17% year over year

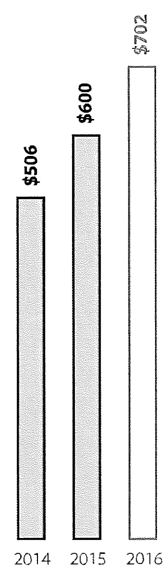
Cash increased by 62% in fiscal 2016

Base EBITDA increased 15% year over year*

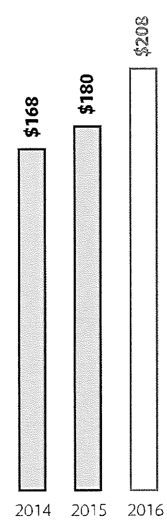
Book value net debt was **2.6x EBITDA** at year-end, compared to 3.3x a year earlier

* Includes $17.9 million of prepaid commission expense. Excluding this additional expense item, Base EBITDA increased by 25% to $225.5 million compared to fiscal 2015.

GROSS MARGIN
(C$ MILLIONS)



BASE EBITDA
(C$ MILLIONS)



Customer Aggregation

	April 1, 2015[1]	Additions	Attrition	Failed to renew	**March 31, 2016**	% increase (decrease)
Consumer Energy						
Gas	713,000	146,000	(153,000)	(38,000)	**668,000**	(6)%
Electricity	1,240,000	377,000	(306,000)	(95,000)	**1,216,000**	(2)%
Total Consumer RCEs	1,953,000	523,000	(459,000)	(133,000)	**1,884,000**	(4)%
Commercial Energy						
Gas	242,000	86,000	(29,000)	(55,000)	**244,000**	1%
Electricity	2,491,000	549,000	(183,000)	(465,000)	**2,392,000**	(4)%
Total Commercial RCEs	2,733,000	635,000	(212,000)	(520,000)	**2,636,000**	(4)%
Total RCEs	4,686,000	1,158,000	(671,000)	(653,000)	**4,520,000**	(4)%

1 The balance as of April 1, 2015 has been adjusted for customers who have either grown above 15 RCEs (becoming a Commercial customer) or have fallen below 15 RCEs (becoming a Consumer customer) during the fiscal year 2015.

Gross customer additions totalled 1,158,000, a 20% decrease from the 1,441,000 customers added the year before. The decline reflected market conditions in which commodity prices were lower and, therefore, more competitive across all markets, as well as our increased focus on the profitability of a customer, which resulted in fewer customer additions but higher margin contribution from each new customer added. Additionally, the low, stable (no volatility) market conditions that have been going on for two years now have meant less customer switching.

Attrition

	Fiscal 2016	Fiscal 2015
Consumer	**26%**	27%
Commercial	**9%**	7%
Total attrition	**16%**	16%

The 16% combined attrition rate was consistent with the prior year. While Consumer attrition rates decreased by one percentage point from a year ago, Commercial attrition rates increased by two percentage points as a result of increased competition. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition.

Renewals

	Fiscal 2016	Fiscal 2015
Consumer	**74%**	77%
Commercial	**57%**	63%
Total renewals	**62%**	67%

The overall renewal rate of 62% was down five percentage points from the previous year, with a three percentage point decline in the Consumer rate and a six percentage point decrease in the Commercial rate. The decline reflected a very competitive market for Commercial renewals with competitors pricing aggressively and Just Energy's focus on improving retained customers' profitability rather than pursuing low margin growth.

Embedded Gross Margin

(millions of dollars)

	Fiscal 2016	Fiscal 2015	2016 vs. 2015 variance
Energy marketing	**$ 1,917.6**	$ 1,874.9	2%

Management's estimate of the future embedded gross margin within our customer contracts rose by 2% compared to the previous year. Higher margins earned on the customers signed in the current fiscal year as well as the foreign currency impact contributed to the growth. Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. As our mix of customers continues to reflect a higher proportion of Commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

Outlook

The fiscal 2016 earnings results exceeded management's expectations based on the targets provided. To reflect the progress in repositioning the business, management believes that the Company will achieve fiscal 2017 Base EBITDA in the range of $223 million to $233 million, showing continued double-digit year over year percentage growth.

Our objectives remain unchanged. The profitability and cash generation Just Energy delivered in fiscal 2016 are inherent to the repositioned business model and thus provide management with confidence and freedom to commit to future dividend distributions and balance sheet restructuring.

We foresee continued, sustainable growth that will be driven by an expanded geographical footprint, continued product innovation, and bringing new energy management solutions to market that align with customer demands.

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Management's discussion and analysis ("MD&A") – May 18, 2016

Overview

The following discussion and analysis is a review of the financial condition and results of operations of Just Energy Group Inc. ("JE" or "Just Energy" or "the Company") for the year ended March 31, 2016 and has been prepared with all information available up to and including May 18, 2016. This analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2016. The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars. Quarterly reports, the annual report and supplementary information can be found on Just Energy's corporate website at www.justenergygroup.com. Additional information can be found on SEDAR at www.sedar.com or on the U.S. Securities and Exchange Commission's website at www.sec.gov.

Just Energy is a corporation established under the laws of Canada and holds securities and distributes the income of its directly and indirectly owned operating subsidiaries and affiliates. Just Energy is an energy management solutions provider specializing in electricity, natural gas, and solar and green energy. The Company operates in the United States, Canada and the United Kingdom, offering a wide range of energy products and home energy management services including long-term fixed-price, variable-price and flat-bill programs, smart thermostats and residential solar panel installations. Just Energy is the parent company of Amigo Energy, Commerce Energy, Green Star Energy, Hudson Energy, Just Energy Solar, Tara Energy and TerraPass.

By fixing the price of natural gas and electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy offsets its customers' exposure to changes in the price of these essential commodities. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Just Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers. Flat-bill programs keep monthly natural gas and/or electricity supply costs consistent each month for customers for a term of up to five years based on a maximum annual household usage.

Just Energy also offers green products through its JustGreen program and conservation solutions through smart thermostats. The JustGreen electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, run of the river hydro or biomass. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

Smart thermostats are offered as a bundled product with commodity contracts as well as a stand-alone unit. The smart thermostats are manufactured and distributed by ecobee Inc. ("ecobee"), a company in which Just Energy holds a 10% equity interest.

Just Energy markets its product offerings through a number of sales channels including broker and affinity relationships, door-to-door marketing and online marketing. The online marketing of gas and electricity contracts is primarily conducted through Just Ventures LLC and Just Ventures L.P. (collectively, "Just Ventures"), a joint venture in which Just Energy holds a 50% equity interest.

Just Energy began selling residential solar finance products through its partnership with Spruce Finance Inc. ("Spruce"), formerly Clean Power Finance. Under the agreement, Just Energy acts as an originator of residential solar deals that are financed and installed via Spruce. Just Energy is also able to sell complementary energy management solutions to solar customers.

Forward-looking information

This MD&A contains certain forward-looking information pertaining to customer additions and renewals, customer consumption levels, EBITDA, Base EBITDA, Funds from Operations, Base Funds from Operations and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, extreme weather conditions, rates of customer additions and renewals, customer attrition, fluctuations in natural gas and electricity prices, changes in regulatory regimes, decisions by regulatory authorities, competition, the results of litigation and dependence on certain suppliers. Additional information on these and other factors that could affect Just Energy's operations, financial results or dividend levels is included in the Annual Information Form and other reports on file with security regulatory authorities, which can be accessed on our corporate website at www.justenergygroup.com, or through the SEDAR website at www.sedar.com or at the U.S. Securities and Exchange Commission's website at www.sec.gov.

Key terms

"$100m convertible debentures" refers to the $100 million in convertible debentures issued by the Company to finance the purchase of Fulcrum Retail Holdings, LLC, effective October 1, 2011. See "Debt and financing for continuing operations" on page 39 for further details.

"$330m convertible debentures" refers to the $330 million in convertible debentures issued by Just Energy to finance the purchase of Hudson Energy Services, LLC, effective May 1, 2010. See "Debt and financing for continuing operations" on page 39 for further details.

"$150m convertible bonds" refers to the US$150 million in convertible bonds issued in January 2014. Net proceeds were used to redeem Just Energy's outstanding $90 million convertible debentures on March 19, 2014 and pay down Just Energy's line of credit. See "Debt and financing for continuing operations" on page 39 for further details.

"attrition" means customers whose contracts were terminated prior to the end of the term either at the option of the customer or by Just Energy.

"customer" does not refer to an individual customer but instead to an RCE (see key term below).

"failed to renew" means customers who did not renew expiring contracts at the end of their term.

"gross margin per RCE" refers to the energy gross margin realized on Just Energy's customer base, including gains/losses from the sale of excess commodity supply.

"LDC" means a local distribution company; the natural gas or electricity distributor for a regulatory or governmentally defined geographic area.

"RCE" means residential customer equivalent, which is a unit of measurement equivalent to a customer using, as regards natural gas, 2,815 m^3 (or 106 GJs or 1,000 Therms or 1,025 CCFs) of natural gas on an annual basis and, as regards electricity, 10 MWh (or 10,000 kWh) of electricity on an annual basis, which represents the approximate amount of gas and electricity, respectively, used by a typical household in Ontario, Canada.

NON-IFRS FINANCIAL MEASURES

Just Energy's consolidated financial statements are prepared in compliance with IFRS. All non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

EBITDA

"EBITDA" refers to earnings before finance costs, taxes, depreciation and amortization. This is a non-IFRS measure that reflects the operational profitability of the business.

BASE EBITDA

"Base EBITDA" refers to EBITDA adjusted to exclude the impact of mark to market gains (losses) arising from IFRS requirements for derivative financial instruments on future supply positions as well as reflecting an adjustment for share-based compensation. This measure reflects operational profitability as the non-cash share-based compensation expense is treated as an equity issuance for the purpose of this calculation, as it will be settled in shares and the mark to market gains (losses) are associated with supply already sold in the future at fixed prices.

Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy and management has therefore excluded them from the Base EBITDA calculation.

FUNDS FROM OPERATIONS

"Funds from Operations" refers to the cash flow generated by operations. Funds from Operations is calculated by Just Energy as gross margin adjusted for cash items including administrative expenses, selling and marketing expenses, bad debt expenses, finance costs, corporate taxes, capital taxes and other cash items. Funds from Operations also includes a seasonal adjustment for the gas markets in Ontario, Quebec, Manitoba and Michigan in order to include cash received from LDCs for gas not yet consumed by end customers.

BASE FUNDS FROM OPERATIONS/BASE FFO

"Base Funds from Operations" or "Base FFO" refers to the Funds from Operations reduced by capital expenditures purchased to maintain productive capacity. Capital expenditures to maintain productive capacity represent the capital spend relating to capital and intangible assets.

BASE FUNDS FROM OPERATIONS PAYOUT RATIO

The payout ratio for Base Funds from Operations means dividends declared and paid as a percentage of Base Funds from Operations.

EMBEDDED GROSS MARGIN

"Embedded gross margin" is a rolling five-year measure of management's estimate of future contracted energy gross margin. The energy marketing embedded gross margin is the difference between existing energy customer contract prices and the cost of supply for the remainder of the term, with appropriate assumptions for customer attrition and renewals. It is assumed that expiring contracts will be renewed at target margin renewal rates.

Embedded gross margin indicates the margin expected to be realized from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin.

Financial highlights

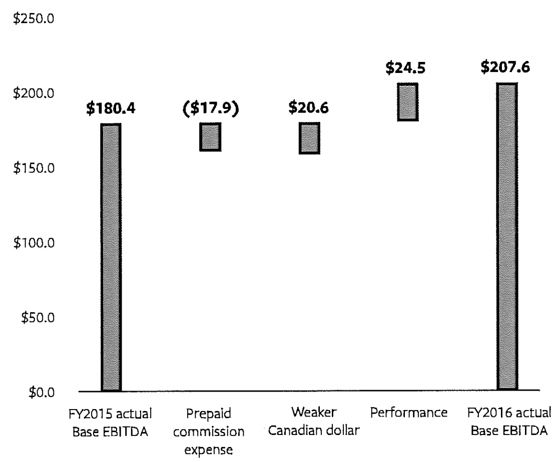
For the years ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2016	**% increase (decrease)**	Fiscal 2015	% increase (decrease)	Fiscal 2014
Sales	**$ 4,105,860**	**5%**	$ 3,895,940	10%	$ 3,534,614
Gross margin	**702,288**	**17%**	600,069	19%	505,531
Administrative expenses	**170,330**	**10%**	154,222	32%	116,713
Selling and marketing expenses	**257,349**	**14%**	225,243	19%	189,890
Finance costs	**72,540**	**(2)%**	73,680	6%	69,441
Profit (loss) from continuing operations[1]	**82,494**	**NMF[3]**	(576,377)	NMF[3]	170,566
Profit (loss) from discontinued operations	**–**	**NMF[3]**	132,673	NMF[3]	(33,625)
Profit (loss)[1]	**82,494**	**NMF[3]**	(443,704)	NMF[3]	136,941
Profit (loss) per share from continuing operations available to shareholders – basic	**0.44**		(4.01)		1.15
Profit (loss) per share from continuing operations available to shareholders – diluted	**0.43**		(4.01)		1.11
Dividends/distributions	**74,792**	**(14)%**	86,723	(30)%	123,429
Base EBITDA[2]	**207,629**	**15%**	180,426	8%	167,663
Base Funds from Operations[2]	**138,199**	**49%**	92,472	4%	88,577
Payout ratio on Base Funds from Operations[2]	**54%**		94%		139%
Embedded gross margin[2]	**1,917,600**	**2%**	1,874,900	9%	1,718,900
Total customers (RCEs)	**4,520,000**	**(4)%**	4,686,000	6%	4,410,000

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 22.
3 Not a meaningful figure.

Just Energy delivered another year of strong operating and financial performance with sales of $4,105.9 million, 5% higher than the prior comparable year; gross margin of $702.3 million, 17% higher than the prior comparable year; and Base EBITDA of $207.6 million, 15% better than fiscal 2015. The Company's reported Base EBITDA in fiscal 2016 includes $17.9 million of prepaid commission expense, reflecting the change in classification of prepaid commissions as a current asset effective fiscal 2016. Excluding this additional expense item, Base EBITDA increased by 25% to $225.5 million in comparison to fiscal 2015. Of this $45.1 million year over year improvement in Base EBITDA, $20.6 million was due to the foreign currency impact and $24.5 million was driven by operational performance improvements. Base FFO was $138.2 million, up 49%, compared to $92.5 million in fiscal 2015. The Company's financial highlights for the year ended March 31, 2016 are shown in the accompanying graph.

FY2016 BASE EBITDA
(MILLIONS)



Continuing operations

CONSUMER DIVISION

The sale of gas and electricity to customers with annual consumption equivalent to 15 RCEs and less is undertaken by the Consumer division. Marketing of the energy products of this division is primarily done through online marketing, door-to-door marketing and telemarketing efforts. Consumer customers make up 42% of Just Energy's customer base, which is currently focused on longer-term price-protected, flat-bill and variable rate offerings of commodity products as well as JustGreen. To the extent that certain markets are better served by shorter-term or enhanced variable rate products, the Consumer division's sales channels also offer these products. In addition, the Consumer division markets smart thermostats, offering the thermostats as a stand-alone unit or bundled with certain commodity products.

COMMERCIAL DIVISION

Customers with annual consumption equivalent to over 15 RCEs are served by the Commercial division. These sales are made through three main channels: sales through the broker channel using the commercial platform; door-to-door commercial independent contractors; and inside commercial sales representatives. Commercial customers make up 58% of Just Energy's customer base. Products offered to Commercial customers can range from standard fixed-price offerings to "one-off" offerings, which are tailored to meet the customer's specific needs. These products can be either fixed or floating rate or a blend of the two, and normally have terms of less than five years. Gross margin per RCE for this division is lower than Consumer margins but customer aggregation costs and ongoing customer care costs per RCE are lower as well. Commercial customers have significantly lower attrition rates than those of Consumer customers.

RESIDENTIAL SOLAR DIVISION

Just Energy has entered into a partnership with Spruce (formerly Clean Power Finance) where Just Energy acts as an originator of residential solar deals that are financed and installed by Spruce. This agreement unites Just Energy's strengths in customer acquisitions and experience with Spruce's solar finance and fulfillment capabilities. Spruce's online platform allows Just Energy to sell residential solar finance products and connects the Company with a national network of qualified solar installation professionals. Under the agreement, Just Energy acts as an originator of residential solar deals that are financed and installed via Spruce. Just Energy is also able to sell complementary energy management solutions to solar customers.

Just Energy began marketing solar energy solutions in California and New York in fiscal 2016 with the results of operations included in the Consumer division.

ABOUT THE ENERGY MARKETS

Natural gas

Just Energy offers natural gas customers a variety of products ranging from month-to-month variable-price offerings to five-year fixed-price contracts. Just Energy purchases gas supply through physical or financial transactions with market counterparts in advance of marketing, based on forecast customer aggregation for residential and small Commercial customers. For larger Commercial customers, gas supply is generally purchased concurrently with the execution of a contract. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Flat-bill products allow predictability by removing the price and the volume risk from customers' bills and guaranteeing the same price every month for their energy supply.

The LDC provides historical customer usage which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the gas portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. To the extent that balancing requirements are outside the forecast purchase, Just Energy bears the financial responsibility for fluctuations in customer usage. To the extent that supply balancing is not fully covered through active management or the options employed, Just Energy's realized customer gross margin may be reduced or increased depending upon market conditions at the time of balancing.

Ontario, Quebec, Manitoba and Michigan

In Ontario, Quebec, Manitoba and Michigan, the volumes delivered for a customer typically remain constant throughout the year. Just Energy does not recognize sales until the customer actually consumes the gas. During the winter months, gas is consumed at a rate that is greater than delivery and, in the summer months, deliveries to LDCs exceed customer consumption. Just Energy receives cash from the LDCs as the gas is delivered, which is even throughout the year.

Alberta and British Columbia

In Alberta and British Columbia, the volume of gas delivered is based on the estimated consumption for each month. Therefore, the amount of gas delivered in winter months is higher than in the spring and summer months. Consequently, cash received from customers and the LDC will be higher in the winter months.

Other gas markets

In New York, Illinois, Indiana, Ohio, California, Georgia, New Jersey, Pennsylvania, Saskatchewan and the United Kingdom, the volume of gas delivered is based on the estimated consumption and storage requirements for each month. Therefore, the amount of gas delivered in winter months is higher than in the spring and summer months. Consequently, cash flow received from these states/provinces is greatest during the third and fourth (winter) quarters, as cash is normally received from the LDCs in the same period as customer consumption.

Electricity

In Ontario, Alberta, New York, Texas, Illinois, Pennsylvania, New Jersey, Maryland, Michigan, California, Ohio, Delaware, Massachusetts and the United Kingdom, Just Energy offers a variety of solutions to its electricity customers, including fixed-price, flat-bill and variable-price products on both short-term and longer-term electricity contracts. Some of these products provide customers with price-protection programs for the majority of their electricity requirements. Just Energy uses historical usage data for all enrolled customers to predict future customer consumption and to help with long-term supply procurement decisions. The flat-bill product provides price and volume protection by guaranteeing the same price every month regardless of price fluctuations or changes in usage.

Just Energy purchases power supply through physical or financial transactions with market counterparties in advance of marketing to residential and small Commercial customers based on forecast customer aggregation. Power supply is generally purchased concurrently with the execution of a contract for larger Commercial customers. The LDC provides historical customer usage, which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the power portfolio, which involves, but is not limited to, the purchase of options including weather derivatives.

The Company's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. In certain markets, to the extent that balancing requirements are outside the forecast purchase, Just Energy bears the financial responsibility for excess or short supply caused by fluctuations in customer usage. To the extent that supply balancing is not fully covered through customer pass-throughs or active management or the options employed, Just Energy's customer gross margin may be impacted depending upon market conditions at the time of balancing.

JustGreen

Customers also have the ability to choose an appropriate JustGreen program to supplement their electricity and natural gas contracts, providing an effective method to offset their carbon footprint associated with the respective commodity consumption.

JustGreen programs for electricity customers involve the purchase of power from green generators (such as wind, solar, run of the river hydro or biomass) via power purchase agreements and renewable energy certificates. JustGreen programs for gas customers involve the purchase of carbon offsets from carbon capture and reduction projects.

The Company currently sells JustGreen gas in the eligible markets of Ontario, British Columbia, Alberta, Saskatchewan, Michigan, New York, Ohio, Illinois, New Jersey, Maryland, Pennsylvania and California. JustGreen electricity is sold in Ontario, Alberta, New York, Texas, Maryland, Massachusetts, Ohio, Illinois and Pennsylvania. Of all Consumer customers who contracted with Just Energy in the past year, 34% took JustGreen for some or all of their energy needs. On average, these customers elected to purchase 91% of their consumption as green supply. For comparison, as reported in the year ended March 31, 2015, 31% of Consumer customers who contracted with Just Energy chose to include JustGreen for an average of 89% of their consumption. As of March 31, 2016, JustGreen now makes up 12% of the Consumer gas portfolio, the same as a year ago. JustGreen makes up 21% of the Consumer electricity portfolio compared to 20% a year ago.

EBITDA

For the years ended March 31
(thousands of dollars)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Reconciliation to consolidated statements of income (loss)			
Profit (loss) for the period from continuing operations	**$ 82,494**	$ (576,377)	$ 170,566
Add (subtract):			
Finance costs	**72,540**	73,680	69,441
Provision for (recovery of) income taxes	**(318)**	(28,889)	48,190
Amortization	**42,652**	76,040	69,469
EBITDA	**$ 197,368**	$ (455,546)	$ 357,666
Add (subtract):			
Change in fair value of derivative instruments	**22,803**	635,204	(186,142)
Share-based compensation	**5,348**	7,120	1,598
Profit attributable to non-controlling interest	**(17,890)**	(6,352)	(5,459)
Base EBITDA	**$ 207,629**	$ 180,426	$ 167,663

EBITDA			
Gross margin per consolidated financial statements	**$ 702,288**	$ 600,069	$ 505,531
Add (subtract):			
Administrative expenses	**(170,330)**	(154,222)	(116,713)
Selling and marketing expenses	**(257,349)**	(225,243)	(189,890)
Bad debt expense	**(68,531)**	(62,077)	(46,051)
Amortization included in cost of sales/selling and marketing expenses	**21,983**	30,647	17,324
Other income (expenses)	**(2,542)**	(2,396)	2,921
Profit attributable to non-controlling interest	**(17,890)**	(6,352)	(5,459)
Base EBITDA	**$ 207,629**	$ 180,426	$ 167,663

Base EBITDA amounted to $207.6 million for the year ended March 31, 2016, an increase of 15% from $180.4 million in the prior year. Management had provided guidance of $193.0 million to $203.0 million of Base EBITDA for fiscal 2016. The result for fiscal 2016 includes the absorption of $17.9 million in additional deductions related to Commercial customer acquisition costs in fiscal 2016. The exclusion of these additional expenses would have resulted in Base EBITDA growth of 25% for the year ended March 31, 2016 as a result of operational improvements and the benefit from the currency translation of the U.S. operations' financial results.

For the year ended March 31, 2016, sales increased by 5%, reflecting higher selling prices for the U.S. markets after currency conversion to Canadian dollars. Gross margin was up 17% as a result of higher realized margin per customer in fiscal 2016 due to more disciplined pricing performance and the positive foreign exchange impact on gross margin earned in U.S. markets. Gross margin increased by $68.3 million over the prior year as a result of the weaker Canadian dollar with the remaining $33.9 million of additional gross margin resulting from operational improvements.

Administrative expenses for the year ended March 31, 2016 increased by 10% from $154.2 million to $170.3 million. The increase over the prior comparable year included higher costs required to support customer growth in the U.K. as well as the impact from the exchange rate on the U.S. dollar denominated administrative costs.

Selling and marketing expenses for the year ended March 31, 2016 were $257.3 million, a 14% increase from $225.2 million reported in the prior year. The increase in selling and marketing expenses is due to the impact of foreign exchange on the U.S.-based commission and overhead expenses, the start-up costs associated with the Residential Solar division, as well as the expenses becoming more directly correlated to the growing portion of the customer base for which selling costs are recorded over the life of the contract (commercial brokers and online sales channels).

Effective fiscal 2016, newly capitalized commissions will be classified as a current asset (prepaid expense) instead of a non-current asset (contract initiation costs). This change is a result of management's effort to reduce the average term of capitalized commission to 12 months going forward, which will reduce the outlay of cash at the time of contract signing. As the capitalized commission is expensed into selling and marketing costs over the term for which the associated revenue is earned, it will no longer be recognized as amortization and will therefore be included in the Base EBITDA calculation. For the year ended March 31, 2016, the commission expense recorded related to this change was $17.9 million.

Fiscal 2017 guidance includes deductions to Base EBITDA of approximately $40 million for prepaid commercial commissions, which would previously have been included as amortization within selling and marketing expenses. This represents a $22 million increase in this expense over fiscal 2016 and a go forward run rate for this incremental deduction in future years. Just Energy expects to offset this headwind with continued strong gross margin performance, U.K. growth and Just Solar contributions.

Bad debt expense was $68.5 million for the year ended March 31, 2016, an increase of 10% from $62.1 million recorded for fiscal 2015, resulting from higher revenue in markets for which there is a credit risk as well as the impact of the U.S. exchange rate. For the year ended March 31, 2016, the bad debt expense of $68.5 million represents approximately 2.3% of revenue in the jurisdictions where the Company bears the credit risk, compared with 2.4% in fiscal 2015, both of which are well within management's targeted range of 2% to 3%.

For more information on the changes in the results from operations, please refer to "Gross margin" on page 34 and "Administrative expenses", "Selling and marketing expenses", "Bad debt expense" and "Finance costs", which are further clarified on pages 35 to 37.

For comparative purposes, the table includes the results for the year ended March 31, 2015 and 2014. For the year ended March 31, 2015, gross margin was $600.1 million for the year, an increase of 19% over $505.5 million reported in fiscal 2014, primarily due to an increase in the customer base and higher realized margins per customer compared with fiscal 2014. In fiscal 2015, administrative, selling and marketing, and bad debt expenses amounted to $154.2 million, $225.2 million and $62.1 million, respectively, an increase of 32%, 19% and 35%, respectively. For fiscal 2015, Base EBITDA from continuing operations amounted to $180.4 million, an increase of 8% from $167.7 million in fiscal 2014, reflecting higher gross margin and operating economies of scale within the Company's cost structure.

EMBEDDED GROSS MARGIN

Management's estimate of the future embedded gross margin is as follows:

(millions of dollars)

	Fiscal 2016	Fiscal 2015	2016 vs. 2015 variance	Fiscal 2014	2015 vs. 2014 variance
Energy marketing	**$ 1,917.6**	$ 1,874.9	2%	$ 1,718.9	9%

Management's estimate of the future embedded gross margin within its customer contracts amounted to $1,917.6 million as of March 31, 2016, an increase of 2% compared to embedded gross margin as of March 31, 2015. Higher margins earned on the customers signed in the current fiscal year as well as the foreign currency impact contributed to the growth year over year.

Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin. As our mix of customers continues to reflect a higher proportion of Commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth – however, the underlying costs necessary to realize this margin will also decline.

In fiscal 2015, embedded gross margin increased by 9% to $1,874.9 million. The embedded gross margin for Energy marketing increased 9% due to a higher number of customers and the strengthening of the U.S. dollar against the Canadian dollar during the year.

Funds from Operations

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Cash inflow from operations	**$ 187,106**	$ 96,212	$ 165,398
Add (subtract):			
Changes in non-cash working capital	**(18,710)**	44,458	(45,765)
Cash flows used in operating activities of discontinued operations	**–**	(20,902)	(6,652)
Losses attributable to non-controlling interest	**(17,890)**	(6,352)	(5,459)
Tax adjustment	**708**	(2,845)	(4,815)
Funds from Operations	**$ 151,214**	$ 110,571	$ 102,707
Less: Maintenance capital expenditures	**(13,015)**	(18,099)	(14,130)
Base Funds from Operations	**$ 138,199**	$ 92,472	$ 88,577
Base Funds from Operations			
Gross margin from consolidated financial statements	**$ 702,288**	$ 600,069	$ 505,531
Add (subtract):			
Adjustment required to reflect net cash receipts from gas sales	**14,895**	(2,698)	(6,186)
Administrative expenses	**(170,330)**	(154,222)	(116,713)
Selling and marketing expenses	**(257,349)**	(225,243)	(189,890)
Bad debt expense	**(68,531)**	(62,077)	(46,051)
Current income tax provision	**(13,890)**	(8,859)	(3,358)
Amortization included in cost of sales/selling and marketing expenses	**21,983**	30,647	17,324
Other income (expenses)	**(2,542)**	(2,396)	2,921
Financing charges, non-cash	**15,471**	15,609	14,271
Finance costs	**(72,540)**	(73,680)	(69,441)
Other non-cash adjustments	**(18,241)**	(6,579)	(5,701)
Funds from Operations	**$ 151,214**	$ 110,571	$ 102,707
Less: Maintenance capital expenditures	**(13,015)**	(18,099)	(14,130)
Base Funds from Operations	**$ 138,199**	$ 92,472	$ 88,577
Base Funds from Operations payout ratio	**54%**	94%	139%
Dividends/distributions			
Dividends	**$ 73,449**	$ 84,945	$ 120,142
Distributions for share-based awards	**1,343**	1,778	3,287
Total dividends/distributions	**$ 74,792**	$ 86,723	$ 123,429

Base Funds from continuing operations ("Base FFO") for the year ended March 31, 2016 were $138.2 million, an increase of 49% compared with Base FFO of $92.5 million for the year ended March 31, 2015. The increase in Base FFO was higher than the increase in Base EBITDA due to the adjustment required reflecting net cash receipts from gas sales being greater than the prior year as a result of the lower consumption resulting from the warmer winter weather in the current year.

Dividends and distributions for the year ended March 31, 2016 were $74.8 million, a decrease of 14% from the prior fiscal year as a result of a reduction in the annual dividend from $0.84 to $0.50 effective with the July 2014 dividend. The payout ratio on Base Funds from continuing operations was 54% for the year ended March 31, 2016, compared to 94% reported in fiscal 2015 resulting from higher free cash flow and lower dividends year over year. The payout ratio of 54% represents the lowest annual payout ratio since the Company's inception.

Selected consolidated financial data from continuing operations

The results from operations have been reclassified for fiscal 2014 to present Hudson Energy Solar Corp. ("HES") and National Home Services ("NHS") as discontinued operations, as they were available for sale and sold in fiscal 2015.

For the years ended March 31
(thousands of dollars, except per share amounts)

Statements of operations	Fiscal 2016	Fiscal 2015	Fiscal 2014
Sales	**$ 4,105,860**	$ 3,895,940	$ 3,534,614
Gross margin	**702,288**	600,069	505,531
Profit (loss) from continuing operations	**82,494**	(576,377)	170,566
Profit (loss) from continuing operations per share – basic	**0.44**	(4.01)	1.15
Profit (loss) from continuing operations per share – diluted	**0.43**	(4.01)	1.11

As at March 31

Balance sheet data	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total assets	**$ 1,247,435**	$ 1,298,441	$ 1,642,650
Long-term liabilities	**954,672**	981,962	1,023,832

2016 COMPARED WITH 2015

Sales increased by 5% to $4,105.9 million in fiscal 2016, compared with $3,895.9 million in the prior fiscal year. The increase is primarily a result of the currency impact of converting U.S. dollar denominated sales into Canadian dollars.

For the year ended March 31, 2016, gross margin increased by 17% to $702.3 million from $600.1 million reported in fiscal 2015 as a result of higher realized margin per customer in fiscal 2016 due to more disciplined pricing performance and the positive foreign exchange impact on gross margin earned in U.S. markets. Gross margin increased by $68.3 million over the prior year as a result of the weaker Canadian dollar, with the remaining $33.9 million of additional gross margin resulting from operational improvements. Gross margin for the Consumer division increased to $538.6 million, up 20%, while gross margin for the Commercial division increased by 9% to $163.6 million.

The profit from continuing operations for fiscal 2016 amounted to $82.5 million, compared to a loss of $576.4 million in fiscal 2015. The profit from continuing operations increased as a result of stronger operational results in fiscal 2016. The increase year over year is further attributable to the change in fair value of the derivative instruments on the Company's supply portfolio, which resulted in a loss of $22.8 million in fiscal 2016 compared with a loss of $635.2 million in fiscal 2015. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and FFO as the better measures of operating performance.

Total assets decreased by 4% to $1,247.4 million in fiscal 2016. Total long-term liabilities as of March 31, 2016 were $954.7 million, representing a 3% decrease over fiscal 2015. The decrease in total long-term liabilities is primarily a result of the use of cash flow to reduce long-term debt with $7.0 million of convertible debentures purchased and retired in fiscal 2016 along with the repayment of $25.0 million of senior unsecured notes, both of which were partially offset by the growth in valuation of the Eurobond due to the weakening of the Canadian currency.

2015 COMPARED WITH 2014

Sales increased by 10% to $3,895.9 million in fiscal 2015, compared with $3,534.6 million in the prior fiscal year. The sales increase is a result of the 6% increase in the customer base and a strengthening of the U.S. dollar against the Canadian dollar.

For the year ended March 31, 2015, gross margin increased by 19% to $600.1 million from $505.5 million reported in fiscal 2014. Gross margin for the Consumer Energy division increased $450.2 million, up 21%, while gross margin for the Commercial Energy division increased by 13% to $149.8 million. The overall increase in margin is driven by a 6% increase in the customer base, higher currency exchange related impact on related margins for U.S. customers and comparison against the price spikes resulting from extreme winter weather in fiscal 2014.

The loss from continuing operations for fiscal 2015 amounted to $576.4 million, compared to a profit of $170.6 million in fiscal 2014. The loss from continuing operations is attributable to the change in fair value of the derivative instruments in the Company's supply portfolio, which showed a loss of $635.2 million in fiscal 2015, versus a gain of $186.1 million in fiscal 2014. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and FFO as the better measures of operating performance.

Total assets decreased by 21% to $1,298.4 million in fiscal 2015. The decrease in total assets is a result of sales of the Home Services and Commercial Solar divisions in November 2015, which resulted in a decrease in total assets of approximately $401.8 million.

Total long-term liabilities as of March 31, 2015 were $982.0 million, representing a 4% decrease over fiscal 2014. The decrease in total long-term liabilities is primarily a result of the sale of the Home Services division and the use of its proceeds from sale to reduce long-term debt.

Summary of quarterly results for continuing operations

(thousands of dollars, except per share amounts)

	Q4 Fiscal 2016	**Q3 Fiscal 2016**	**Q2 Fiscal 2016**	**Q1 Fiscal 2016**
Sales	**$ 1,075,880**	**$ 1,009,709**	**$ 1,087,256**	**$ 933,015**
Gross margin	**204,289**	**179,937**	**167,155**	**150,907**
Administrative expenses	**49,504**	**42,934**	**40,294**	**37,598**
Selling and marketing expenses	**62,259**	**67,061**	**65,248**	**62,781**
Finance costs	**20,312**	**17,731**	**17,641**	**16,856**
Profit (loss) for the period from continuing operations	**30,893**	**10,188**	**(88,258)**	**129,671**
Profit (loss) for the period	**30,893**	**10,188**	**(88,258)**	**129,671**
Profit (loss) for the period from continuing operations per share – basic	**0.16**	**0.04**	**(0.62)**	**0.87**
Profit (loss) for the period from continuing operations per share – diluted	**0.14**	**0.04**	**(0.62)**	**0.71**
Dividends/distributions paid	**18,730**	**18,662**	**18,701**	**18,699**
Base EBITDA	**67,345**	**55,724**	**45,685**	**38,875**
Base Funds from Operations	**43,822**	**26,783**	**37,775**	**29,819**
Payout ratio on Base Funds from Operations	**43%**	**70%**	**50%**	**63%**

	Q4 Fiscal 2015	Q3 Fiscal 2015	Q2 Fiscal 2015	Q1 Fiscal 2015
Sales	$ 1,209,879	$ 946,752	$ 918,260	$ 821,049
Gross margin	194,066	150,098	132,515	123,390
Administrative expenses	42,048	40,912	38,246	33,016
Selling and marketing expenses	63,980	52,968	53,088	55,207
Finance costs	16,684	19,525	18,700	18,771
Profit (loss) for the period from continuing operations	(64,976)	(371,403)	(94,255)	(45,743)
Profit (loss) for the period	(63,441)	(206,193)	(135,156)	(38,914)
Profit (loss) for the period from continuing operations per share – basic	(0.46)	(2.56)	(0.67)	(0.32)
Profit (loss) for the period from continuing operations per share – diluted	(0.46)	(2.56)	(0.67)	(0.32)
Dividends/distributions paid	18,596	18,572	18,622	30,933
Base EBITDA	67,914	50,592	31,734	30,186
Base Funds from Operations	31,947	21,179	23,756	15,590
Payout ratio on Base Funds from Operations	58%	88%	78%	198%

Just Energy's results reflect seasonality, as electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). While quarter over quarter comparisons are relevant, sequential quarters will vary materially. The main impact of this will normally be higher Base EBITDA in the third and fourth quarters (assuming consumption based on normal winter weather) and lower Base EBITDA in the first and second quarters. This impact is lessening as current net customer additions are concentrated in electricity, which traditionally experiences less seasonality than natural gas.

Financial highlights

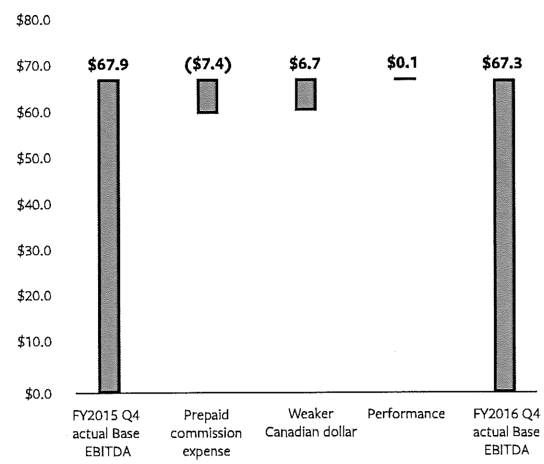
For the three months ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2016	% increase (decrease)	Fiscal 2015
Sales	**$ 1,075,880**	**(11)%**	$ 1,209,879
Gross margin	**204,289**	**5%**	194,066
Administrative expenses	**49,504**	**18%**	42,048
Selling and marketing expenses	**62,259**	**(3)%**	63,980
Finance costs	**20,312**	**22%**	16,684
Profit (loss) from continuing operations[1]	**30,893**	**NMF[3]**	(64,976)
Profit (loss) from discontinued operations	**–**	**NMF[3]**	1,535
Profit (loss)[1]	**30,893**	**NMF[3]**	(63,441)
Profit (loss) per share from continuing operations available to shareholders – basic	**0.16**		(0.46)
Profit (loss) per share from continuing operations available to shareholders – diluted	**0.14**		(0.46)
Dividends/distributions	**18,730**	**1%**	18,596
Base EBITDA from continuing operations[2]	**67,345**	**(1)%**	67,914
Base Funds from continuing operations[2]	**43,822**	**37%**	31,947
Payout ratio on Base Funds from continuing operations[2]	**43%**		58%

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 22.
3 Not a meaningful figure.

Just Energy delivered another quarter of strong operating and financial performance for the three months ended March 31, 2016. Despite sales decreasing by 11% to $1,075.9 million, due to lower consumption from the warmer winter weather, gross margin increased by 5% to $204.3 million with the payout from the winter weather hedge and improved margins on new customers signed over the past 12 months. Base EBITDA was $67.3 million, a 1% decrease from the prior comparable period. The Company's reported Base EBITDA for the three months ended March 31, 2016 includes $7.4 million of prepaid commission expense, reflecting the change in classification of prepaid commissions as a current asset effective April 1, 2016. Excluding this additional expense item, Base EBITDA increased by 10% to $74.7 million in comparison to fiscal 2015. Of this $6.8 million quarter over quarter improvement in Base EBITDA, $6.7 million was due to the foreign currency impact with the remaining $0.1 million driven by operational performance improvements.

FY2016 Q4 BASE EBITDA
(MILLIONS)



Analysis of the fourth quarter

Sales decreased by 11% to $1,075.9 million for the three months ended March 31, 2016 from $1,209.9 million recorded in the fourth quarter of fiscal 2015. The Consumer division's sales decreased by 15% due to market conditions as the commodity prices were lower and, therefore, more competitive across all markets as well as lower consumption from the warmer winter weather. The Commercial division's sales decreased by 6%, primarily a result of the lower consumption during the winter months as well as a decrease in customer base year over year.

Gross margin was $204.3 million, an increase of 5% from the prior comparable quarter as a result of an increase from foreign exchange and the increase in the U.K. customer base. Just Energy entered into weather index derivatives with the intention of offsetting gross margin fluctuations from warmer than normal weather. The warmer than normal temperatures in Just Energy's gas markets has resulted in a payout that largely offsets the negative impact from the warmer weather.

Administrative expenses for the three months ended March 31, 2016 increased by 18% from $42.0 million to $49.5 million as a result of an increase in U.S.-based currency expenditures as well as the costs to serve the growing customer base in the U.K.

Selling and marketing expenses for the three months ended March 31, 2016 were $62.3 million, a 3% decrease from $64.0 million reported in the prior comparable quarter. This decrease is largely attributable to lower commission expense resulting from lower gross customer additions in the current period partially offset by the foreign exchange impact of U.S.-based expenses.

Finance costs for the three months ended March 31, 2016 amounted to $20.3 million, an increase of 22% from $16.7 million reported for the three months ended March 31, 2015. The increase in finance costs was a result of the impact of foreign currency on the U.S. dollar-based interest costs for the US$150m convertible bonds as well as the one-time interest cost associated with the early redemption of $25 million of the senior unsecured notes outstanding. Just Energy has the ability to make a normal course issuer bid ("NCIB") to purchase for cancellation a portion of its convertible debentures. For the three months ended March 31, 2016, Just Energy purchased $1.1 million of the $330m convertible debentures under the NCIB program.

The change in fair value of derivative instruments resulted in a non-cash loss of $27.0 million for the fourth quarter of fiscal 2016 compared to a loss of $101.6 million in the prior comparative quarter, as a result of the change in commodity prices during the quarter along with the foreign exchange impact on change in fair value for the U.S. dollar-based commodity contracts. The income from continuing operations for the three months ended March 31, 2016 was $30.9 million, representing a gain per share of $0.16 on a basic and $0.14 per share on a diluted basis. For the prior comparable quarter, the loss from continuing operations was $65.0 million, representing a loss per share of $0.46 on a basic and diluted basis. Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy.

Base EBITDA was $67.3 million for the three months ended March 31, 2016, a 1% decrease from $67.9 million in the prior comparable quarter. The Company's reported Base EBITDA in the fourth quarter of fiscal 2016 includes $7.4 million of prepaid commission expense, reflecting the change in classification of prepaid commissions to a current asset effective April 1, 2016. Excluding this additional expense item, Base EBITDA increased by 10% to $74.7 million for the fourth quarter of fiscal 2016. Of this $6.8 million year over year improvement in Base EBITDA, $6.7 million was due to the foreign currency impact from translation of the U.S. operations and $0.1 million was driven by operational performance improvements. Base FFO was $43.8 million for the fourth quarter of fiscal 2016, up 37% compared to $31.9 million in the prior comparable quarter as a result of the adjustment required to reflect net cash receipts from gas sales being greater than the prior year as a result of the lower consumption in the current quarter resulting from the warmer winter weather.

Dividends/distributions paid were $18.7 million, consistent with the prior comparable period based on an annual dividend rate of $0.50 per share. Payout ratio for the three months ended March 31, 2016 was 43%, compared with 58% in the prior comparable quarter. The payout ratio for the fourth quarter was the lowest in the Company's history.

Segmented Base EBITDA[1]

For the years ended March 31
(thousands of dollars)

			Fiscal 2016
	Consumer division	Commercial division	Consolidated
Sales	$ 2,177,538	$ 1,928,322	$ 4,105,860
Cost of sales	(1,638,892)	(1,764,680)	(3,403,572)
Gross margin	538,646	163,642	702,288
Add (subtract):			
Administrative expenses	(130,253)	(40,077)	(170,330)
Selling and marketing expenses	(163,153)	(94,196)	(257,349)
Bad debt expense	(59,689)	(8,842)	(68,531)
Amortization included in cost of sales/selling and marketing expenses	–	21,983	21,983
Other expenses	(1,853)	(689)	(2,542)
Profit attributable to non-controlling interest	(17,890)	–	(17,890)
Base EBITDA from operations	$ 165,808	$ 41,821	$ 207,629

1 The segment definitions are provided on page 24.

	Fiscal 2015		
	Consumer division	Commercial division	Consolidated
Sales	$ 2,113,828	$ 1,782,112	$ 3,895,940
Cost of sales	(1,663,598)	(1,632,273)	(3,295,871)
Gross margin	450,230	149,839	600,069
Add (subtract):			
Administrative expenses	(121,170)	(33,052)	(154,222)
Selling and marketing expenses	(134,084)	(91,159)	(225,243)
Bad debt expense	(46,945)	(15,132)	(62,077)
Amortization included in cost of sales/selling and marketing expenses	–	30,647	30,647
Other expenses	(788)	(1,608)	(2,396)
Profit attributable to non-controlling interest	(6,352)	–	(6,352)
Base EBITDA from operations	$ 140,891	$ 39,535	$ 180,426

1 The segment definitions are provided on page 24.

Consumer Energy contributed $165.8 million to Base EBITDA for the year ended March 31, 2016, an increase of 18% from $140.9 million in the year ended March 31, 2015. Consumer gross margin increased by 20% as a result of the foreign exchange impact on U.S.-based sales and higher margin contribution per customer. Consumer administrative costs were up 7% in fiscal 2016 due in part to the expected growth in U.K. operating costs needed to support the growing customer base as well as the impact of foreign exchange.

Commercial Energy contributed $41.8 million to Base EBITDA, an increase of 6% from the year ended March 31, 2015, when the segment contributed $39.5 million. The increase in gross margin was offset by higher operating expenses, particularly as a result of the $17.9 million impact from the change in classification of prepaid commission costs. Excluding these additional costs, Base EBITDA for the Commercial operations would have increased by 51% to $59.7 million as a result of operational improvement initiatives and the foreign exchange impact from its U.S. markets.

Customer aggregation

	April 1, 2015[1]	Additions	Attrition	Failed to renew	**March 31, 2016**	% increase (decrease)
Consumer Energy						
Gas	713,000	146,000	(153,000)	(38,000)	**668,000**	(6)%
Electricity	1,240,000	377,000	(306,000)	(95,000)	**1,216,000**	(2)%
Total Consumer RCEs	1,953,000	523,000	(459,000)	(133,000)	**1,884,000**	(4)%
Commercial Energy						
Gas	242,000	86,000	(29,000)	(55,000)	**244,000**	1%
Electricity	2,491,000	549,000	(183,000)	(465,000)	**2,392,000**	(4)%
Total Commercial RCEs	2,733,000	635,000	(212,000)	(520,000)	**2,636,000**	(4)%
Total RCEs	4,686,000	1,158,000	(671,000)	(653,000)	**4,520,000**	(4)%

1 The balance as at April 1, 2015 has been adjusted for customers who have either grown above 15 RCEs (becoming a Commercial customer) or have fallen below 15 RCEs (becoming a Consumer customer) during the fiscal year 2015. At the beginning of each fiscal year, Just Energy will adjust the opening balances to reflect any changes in allocation of customers between the Consumer and Commercial divisions as a result of the increases or decreases in the annual consumption.

Gross customer additions for the year ended March 31, 2016 were 1,158,000, a decrease of 20% compared to 1,441,000 customers added in fiscal 2015. The customer additions were lower in the current year due to market conditions as the commodity prices were lower and therefore, more competitive across all markets, as well as an increased focus on the profitability of a customer resulting in fewer customer additions but higher margin contribution from each new customer added. Additionally, the low and stable market conditions (no volatility) that have prevailed for the past two years have resulted in less customer switching.

Consumer customer additions amounted to 523,000 for the year ended March 31, 2016, a 23% decrease from 675,000 gross customer additions recorded in the prior comparable year. The customer additions were lower in the current year due to market conditions, as the commodity prices were lower and, therefore, more competitive across all markets, as well as a decrease in customer additions through online and door-to-door marketing.

Commercial customer additions were 635,000 for the year ended March 31, 2016, a 17% decrease from 766,000 gross customer additions in the prior comparable year as a result of competitiveness in pricing and a more disciplined pricing strategy. Just Energy remains focused on increasing the gross margin per customer added for Commercial customers and, as a result, has been more selective in the margin added per customer.

Net additions were a negative 166,000 for fiscal 2016, compared with 276,000 net customer additions in fiscal 2015, primarily as a result of the lower customer additions in North America and lower renewal rates for Commercial operations. Just Energy continues to actively focus on improving retained customers' profitability rather than pursuing low margin growth.

In addition to the customers referenced in the table on the previous page, the Consumer customer base also includes 60,000 smart thermostat customers. These smart thermostats are bundled with a commodity contract and are currently offered in Ontario, Alberta and Texas. Customers with bundled products have lower attrition and higher overall profitability. Further expansion of smart thermostats is a key driver of continued growth for Just Energy.

For the year ended March 31, 2016, 52% of the total Consumer and Commercial customer additions were generated from commercial brokers, 28% through online and other non-door-to-door sales channels, and 20% from door-to-door sales. In the prior year, 50% of customer additions were generated from commercial brokers, 29% from online and other sales channels, and 21% using door-to-door sales.

The U.K. operations increased their customer base by 53% to 308,000 RCEs over the past year with strong growth for both their Consumer and Commercial customer bases. As of March 31, 2016, the U.S., Canadian and U.K. segments accounted for 71%, 22% and 7% of the customer base, respectively. At March 31, 2015, the U.S., Canadian and U.K. segments represented 72%, 24% and 4% of the customer base, respectively.

ATTRITION

	Fiscal 2016	Fiscal 2015
Consumer	**26%**	27%
Commercial	**9%**	7%
Total attrition	**16%**	16%

The combined attrition rate for Just Energy was 16% for the year ended March 31, 2016, consistent with the prior year. While the Consumer attrition rate decreased one percentage point to 26% from a year ago, the Commercial attrition rate increased by two percentage points to 9%. The increase in Commercial attrition was a result of increased competition over the past year. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition. The Consumer attrition includes the impact from higher customer defaults in markets where Just Energy bears collection risk.

The Company carefully monitors the levels of customer complaints from its Consumer and Commercial divisions. The goal is to resolve all complaints registered within five days of receipt. Our corporate target is to have an outstanding complaint rate of less than 0.05% of flowing customers at any time. As of March 31, 2016, the total outstanding rate was 0.01%.

RENEWALS

	Fiscal 2016	Fiscal 2015
Consumer	**74%**	77%
Commercial	**57%**	63%
Total renewals	**62%**	67%

The Just Energy renewal process is a multifaceted program that aims to maximize the number of customers who choose to renew their contract prior to the end of their existing contract term. Efforts begin up to 15 months in advance, allowing a customer to renew for an additional period. Overall, the renewal rate was 62% for fiscal 2016, down five percentage points from a renewal rate of 67% reported for fiscal 2015. The Consumer renewal rate decreased by three percentage points, while the Commercial renewal rate decreased by six percentage points to 57%. The decline reflected a very competitive market for Commercial renewals, with competitors pricing aggressively and Just Energy's focus on improving retained customers' profitability rather than pursuing low margin growth.

ENERGY CONTRACT RENEWALS

This table shows the customers up for renewal in the following fiscal periods:

	Consumer		Commercial	
	Gas	Electricity	Gas	Electricity
2017	19%	35%	32%	40%
2018	21%	28%	32%	34%
2019	24%	18%	19%	15%
2020	18%	9%	11%	7%
Beyond 2020	18%	10%	6%	4%
Total	100%	100%	100%	100%

Note: All month-to-month customers, who represent 531,000 RCEs, are excluded from the table above.

Gross margin

For the years ended March 31 (thousands of dollars)

	Fiscal 2016			Fiscal 2015		
	Consumer	**Commercial**	**Total**	Consumer	Commercial	Total
Gas	**$ 172,582**	**$ 31,632**	**$ 204,214**	$ 165,770	$ 33,352	$ 199,122
Electricity	**366,064**	**132,010**	**498,074**	284,460	116,487	400,947
	$ 538,646	**$ 163,642**	**$ 702,288**	$ 450,230	$ 149,839	$ 600,069
Increase	**20%**	**9%**	**17%**			

CONSUMER ENERGY

Gross margin for the year ended March 31, 2016 for the Consumer division was $538.6 million, an increase of 20% from the $450.2 million recorded in the prior year. Gas and electricity gross margins increased by 4% and 29%, respectively.

Average realized gross margin for the Consumer division for the year ended March 31, 2016 was $243/RCE, representing a 22% increase from $199/RCE reported in the prior year. The increase is largely due to higher margins on new customers added as well as the foreign exchange impact from the weaker Canadian dollar. The gross margin/RCE value includes an appropriate allowance for bad debt expense in Illinois, Texas, Georgia, Michigan, Pennsylvania and Massachusetts.

Gas

Gross margin for the year ended March 31, 2016 from gas customers in the Consumer division was $172.6 million, an increase of 4% from $165.8 million recorded in fiscal 2015. The change is primarily a result of higher margins earned on variable rate products, the growth in the U.K. and the favourable impact from the exchange on the U.S. dollar denominated sales offsetting the decrease in margins from lower consumption.

Just Energy entered into weather index derivatives for the third and fourth quarters of fiscal 2016 with the intention of reducing gross margin fluctuations from warmer than normal weather. The warmer than normal temperatures in Just Energy's gas markets has resulted in a payout that largely offsets the negative impact from the warmer weather.

Electricity

Gross margin from electricity customers in the Consumer Energy division was $366.1 million for the year ended March 31, 2016, an increase of 29% from $284.5 million recorded in the prior year. The higher gross margin in fiscal 2016 is a result of higher fee-based revenues earned, higher margins contribution from the JustGreen product offerings, attractive pricing on variable rate products due to lower power prices, the positive impact of the foreign currency translation on gross margin earned in the U.S. markets and the growth in the U.K. market.

COMMERCIAL ENERGY

Gross margin for the Commercial division was $163.6 million, an increase of 9% from the $149.8 million recorded in the prior year. Gas and electricity gross margins decreased by 5% and increased by 13%, respectively. The overall growth in margin was due to operational improvements in place to increase the margin for new customers added and the positive impact from the currency translation on the contribution from the U.S. customer base.

Average realized gross margin for the year ended March 31, 2016 was $72/RCE, an increase of 20% from $60/RCE. The GM/RCE value includes an appropriate allowance for bad debt expense in Illinois, Texas, Georgia, Michigan and California.

Gas

Gas gross margin for the Commercial division was $31.6 million for the year ended March 31, 2016, a decrease of 5% from $33.4 million. The decrease in gross margin is a result of lower consumption due to warmer weather, although the majority of the margin impact from lower consumption was offset by the weather hedge.

Electricity

Electricity gross margin for the Commercial division was $132.0 million, an increase of 13% from the $116.5 million recorded in the prior comparable year. The increase in gross margin is a result of increased profitability on new customers and the favourable impact from the currency translation of U.S. dollar-based sales.

GROSS MARGIN ON NEW AND RENEWING CUSTOMERS

The table below depicts the annual margins on contracts for Consumer and Commercial customers signed during the year. This table reflects the gross margin (sales price less costs of associated supply and allowance for bad debt) earned on new additions and renewals including both brown commodities and JustGreen supply.

Annual gross margin per RCE

		Fiscal 2016	**Number of customers**		Fiscal 2015	Number of customers
Consumer customers added and renewed	**$**	**207**	**888,000**	$	191	983,000
Consumer customers lost		**196**	**592,000**		184	635,000
Commercial customers added and renewed		**84**	**1,202,000**		79	1,171,000
Commercial customers lost		**66**	**732,000**		73	531,000

For the year ended March 31, 2016, the average gross margin per RCE for the customers added and renewed by the Consumer division was $207/RCE, an increase from $191/RCE in fiscal 2015. The average gross margin per RCE for the Consumer customers lost during fiscal 2016 was $196/RCE, compared with $184/RCE in fiscal 2015. Higher new customer margins reflect strong margins on new products including bundled offerings as well as an impact from foreign currency translation.

For the Commercial division, the average gross margin per RCE for the customers signed during the year ended March 31, 2016 was $84/RCE compared to $79/RCE in the prior fiscal year. Customers lost through attrition and failure to renew during the year ended March 31, 2016 were at an average gross margin of $66/RCE, a decrease from $73/RCE reported in the prior year. The Company has pursued a plan where focus in the commercial market will be on higher margin segments while those with traditionally low margins are allowed to expire. Management will continue its margin optimization efforts by focusing on ensuring customers added meet its profitability targets.

Overall consolidated results

ADMINISTRATIVE EXPENSES

For the years ended March 31 (thousands of dollars)

		Fiscal 2016		Fiscal 2015	% increase
Consumer Energy	**$**	**130,253**	$	121,170	7%
Commercial Energy		**40,077**		33,052	21%
Total administrative expenses	**$**	**170,330**	$	154,222	10%

Administrative expenses increased by 10% from $154.2 million to $170.3 million. The Consumer division's administrative expenses were $130.3 million for the year ended March 31, 2016, an increase of 7% from $121.2 million recorded in the prior year. The Commercial division's administrative expenses were $40.1 million for fiscal 2016, a 21% increase from $33.1 million for the year ended March 31, 2015. The increase over the prior year was primarily driven by the impact of the U.S. exchange rate as well as higher operating costs for the growth in the U.K. operations to support its growing customer base.

SELLING AND MARKETING EXPENSES

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015	% increase
Consumer Energy	$ 163,153	$ 134,084	22%
Commercial Energy	94,196	91,159	3%
Total selling and marketing expenses	**$ 257,349**	$ 225,243	14%

Selling and marketing expenses, which consist of commissions paid to independent sales contractors, brokers and independent representatives, as well as sales-related corporate costs, were $257.3 million for the year ended March 31, 2016, an increase of 14% from $225.2 million in fiscal 2015. The increase is largely attributable to the impact of foreign exchange on the U.S.-based commission and overhead expenses, the cost associated with the Residential Solar start-up as well as the expenses becoming more directly correlated to the growing portion of the customer base for which selling costs are recorded over the life of the contract (commercial broker and online sales channels).

The selling and marketing expenses for the Consumer Energy division were $163.2 million for the year ended March 31, 2016, an increase of 22% from $134.1 million recorded in fiscal 2015. These selling expenses increased despite customer additions being lower year over year due to the impact of the currency translation of U.S.-based expenses, the start-up costs associated with the Residential Solar division as well as the selling and marketing expenses becoming more directly correlated to the growth portion of the customer base for which selling costs are recorded over the life of the contract.

The selling and marketing expenses for the Commercial Energy division were $94.2 million for the year ended March 31, 2016, up 3% from fiscal 2015 selling expenses of $91.2 million. The increase in selling expenses is a result of higher foreign currency translation on U.S.-based commission and overhead expenses and the growth in the U.K.

The aggregation costs per customer for Consumer customers signed by independent representatives and Commercial customers signed by brokers were as follows:

	Fiscal 2015	Fiscal 2014
Consumer	$ 204/RCE	$ 153/RCE
Commercial	$ 38/RCE	$ 29/RCE

The average aggregation costs for the Consumer division increased to $204/RCE compared to $153/RCE in the prior year. The increase in cost in the current year is a result of the higher exchange associated with the U.S.-based expenses as well as higher allocations of overhead expense on a per RCE basis due to lower customer additions in fiscal 2016.

The $38 average aggregation cost for Commercial division customers is based on the expected average annual costs for the respective customer contracts. It should be noted that commercial broker contracts are paid further commissions averaging $38 per year for each additional year that the customer flows. Assuming an average life of 2.8 years, this would add approximately $68 (1.8 x $38) to the year's average aggregation cost reported above. For the prior year, the average aggregation costs for commercial brokers were $29/RCE. The lower costs in this prior year are a function of broker commissions being a percentage of lower margins as well as less impact from foreign exchange.

BAD DEBT EXPENSE

In Illinois, Alberta, Texas, Delaware, Ohio, California, Michigan and Georgia, Just Energy assumes the credit risk associated with the collection of customer accounts. In addition, for commercial direct-billed accounts in British Columbia, Just Energy is responsible for the bad debt risk. Credit review processes have been established to manage the customer default rate. Management factors default from credit risk into its margin expectations for all of the above-noted markets. During the year ended March 31, 2016, Just Energy was exposed to the risk of bad debt on approximately 74% of its sales, compared with 66% of sales during the year ended March 31, 2015.

Bad debt expense is included in the consolidated income statement under other operating expenses. Bad debt expense for the year ended March 31, 2016 was $68.5 million, an increase of 10% from $62.1 million expensed for the year ended March 31, 2015. Management integrates its default rate for bad debt within its margin targets and continuously reviews and monitors the credit approval process to mitigate customer delinquency. For the year ended March 31, 2016, the bad debt expense represents 2.3% of relevant revenue, down from 2.4% reported in fiscal 2015.

Management expects that bad debt expense will remain in the range of 2% to 3% of relevant revenue where the Company bears credit risk. For each of Just Energy's other markets, the LDCs provide collection services and assume the risk of any bad debt owing from Just Energy's customers for a regulated fee.

FINANCE COSTS

Total finance costs for the year ended March 31, 2016 amounted to $72.5 million, a decrease of 2% from $73.7 million during the year ended March 31, 2015. The decrease is a result of the 2% decrease in the long-term debt balance over the past year with lower borrowing costs under the credit facility due to the use of sale proceeds of National Home Services ("NHS") in the third quarter of fiscal 2015 to reduce borrowings, as well as a $7.0 million reduction in debt through the NCIB over the past year.

FOREIGN EXCHANGE

Just Energy has an exposure to U.S. dollar exchange rates as a result of its U.S. operations. Any changes in the applicable exchange rate may result in a decrease or increase in other comprehensive income. For the year ended March 31, 2016, a foreign exchange unrealized loss of $7.5 million was reported in other comprehensive income versus an unrealized loss of $13.1 million in fiscal 2015. In addition to changes in the U.S. foreign exchange rate, this fluctuation is a result of the significant increase in the mark to market liability position of the Company's derivative financial instruments.

Overall, a stronger U.S. dollar increases the value of sales and gross margin in Canadian dollars, but this is partially offset by higher operating costs denominated in U.S. dollars. Total estimated impact of the decline in the Canadian dollar versus the U.S. dollar was a favourable $19.1 million on Base EBITDA and $15.3 million on FFO for fiscal 2016.

Just Energy retains sufficient funds in the U.S. to support ongoing growth and surplus cash is repatriated to Canada. U.S. cross border cash flow is forecasted annually, and hedges for cross border cash flow are placed. Just Energy hedges between 50% and 90% of the next 12 months of cross border cash flows, depending on the level of certainty of the cash flow.

PROVISION FOR (RECOVERY OF) INCOME TAX

For the years ended March 31
(thousands of dollars)

		Fiscal 2016		Fiscal 2015
Current income tax expense	**$**	**13,890**	$	8,859
Deferred tax (recovery) provision		**(14,208)**		(37,748)
Provision for (recovery of) income tax	**$**	**(318)**	$	(28,889)

Just Energy recorded a current income tax expense of $13.9 million for the year, versus $8.9 million in fiscal 2015. The increase in current tax expense in fiscal 2016 is mainly due to improved operating results as well as Just Energy becoming a taxpayer in Canada and the U.K.

During fiscal 2016, a deferred tax benefit of $14.2 million was recorded, which is mainly due to deferred tax expense that was set up for Canadian operations in prior years was classified as a current income tax in fiscal 2016 as a result of Just Energy becoming taxable in Canada. In fiscal 2015, a deferred tax benefit of $37.7 million was recorded, which is due to a significant increase of cumulative mark to market losses from financial instruments during that year.

Just Energy is taxed as a taxable Canadian corporation. Therefore, the deferred tax asset or liability associated with Canadian assets and liabilities recorded on the consolidated balance sheets as at that date will be realized over time as the temporary differences between the carrying value of assets in the consolidated financial statements and their respective tax bases are realized. Current Canadian income taxes are accrued to the extent that there is taxable income in Just Energy and its underlying corporations. For fiscal 2016, Canadian and U.K. corporations under Just Energy are subject to a tax rate of approximately 26% and 20%, respectively.

Under IFRS, Just Energy recognized income tax liabilities and assets based on the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities on the consolidated financial statements and their respective tax bases, using substantively enacted income tax rates. A deferred tax asset will not be recognized if it is not anticipated that the asset will be realized in the foreseeable future.

Discontinued operations

HOME SERVICES DIVISION

On November 24, 2014, Just Energy announced that it had closed the sale of its shares of NHS to Reliance Comfort Limited Partnership. NHS provided Ontario and Quebec residential customers with a long-term water heater, furnace and air conditioning rental, offering high efficiency conventional and power vented tank and tankless water heaters and high efficiency furnaces and air conditioners. The purchase price was $505 million subject to certain potential adjustments at closing including working capital balances. Additionally, as a condition of closing, Just Energy paid all outstanding NHS borrowings and the remaining interest in a royalty agreement.

Results of operations

For the period of April 1, 2014 to November 24, 2014, the Home Services division had sales of $58.8 million and gross margin of $47.6 million, compared with $76.4 million and $60.1 million, respectively, in fiscal 2014. NHS's operating profit included in discontinued operations was $168.1 million (including gain on sale of $191.2 million), for fiscal 2015.

COMMERCIAL SOLAR (HES)

On November 5, 2014, Just Energy announced the closing of the sale of HES to SunEdison, Inc. and its subsidiary, TerraForm Power Inc., a leading global solar technology manufacturer and provider of solar energy services.

For the period of April 1, 2014 to November 5, 2014, the Commercial Solar division had sales of $4.4 million compared with $3.9 million for the year ended March 31, 2014. The operating loss of HES included in the discontinued operations was $35.5 million compared to $46.8 million in fiscal 2014.

Liquidity and capital resources

SUMMARY OF CASH FLOWS

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015
Operating activities from continuing operations	**$ 187,106**	$ 75,310
Investing activities from continuing operations	**(6,408)**	152,278
Financing activities from continuing operations, excluding dividends	**(53,481)**	(77,865)
Effect of foreign currency translation	**(3,703)**	7,037
Increase in cash before dividends	**123,514**	156,760
Dividends (cash payments)	**(74,732)**	(83,041)
Increase in cash	**48,782**	73,719
Decrease in cash from discontinued operations and cash reclassified to assets held for sale	**–**	(15,306)
Cash and cash equivalents – beginning of year	**78,814**	20,401
Cash and cash equivalents – end of year	**$ 127,596**	$ 78,814

OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

Cash flow from continuing operating activities for the year ended March 31, 2016 was an inflow of $187.1 million, compared to $75.3 million in fiscal 2015. Cash flow from continuing operations increased as a result of both improved operational performance and the impact of the stronger dollar on U.S. operations.

INVESTING ACTIVITIES FROM CONTINUING OPERATIONS

Investing activities for the current year included purchases of capital and intangible assets totalling $6.9 million and $10.1 million, respectively, compared with $5.8 million and $7.6 million, respectively, in fiscal 2015. Just Energy's capital spending related primarily to smart thermostats for product bundling opportunities and office equipment. The $10.6 million change in restricted cash in the current year is related to the settlement of obligations from prior period acquisitions and dispositions.

In fiscal 2015, investing activities included proceeds on the disposal of subsidiaries in the amount of $195.5 million. Contract initiation cost additions decreased from $29.8 million in fiscal 2015 to $nil in fiscal 2016 as a result of a change in classification of upfront commission payments as prepaid commissions as a result of the shortening of the average upfront payment to approximately 12 months.

FINANCING ACTIVITIES FROM CONTINUING OPERATIONS

Financing activities, excluding dividends, relates primarily to the issuance and repayment of long-term debt. Just Energy early redeemed $25 million of the original $105 million principal on its senior unsecured note as well as purchased and retired $7.0 million of its outstanding convertible debentures through the normal course issuer bid. As of March 31, 2016, Just Energy had not drawn on its $277.5 million credit facility, although letters of credit totalling $130.0 million remain outstanding.

Just Energy's liquidity requirements are driven by the delay from the time that a customer contract is signed until cash flow is generated. The elapsed period between the time a customer is signed and receipt of the first payment from the customer varies with each market. The time delays per market are approximately two to nine months. These periods reflect the time required by the various LDCs to enroll, flow the commodity, bill the customer and remit the first payment to Just Energy. In Alberta, Georgia and Texas and for commercial direct-billed customers, Just Energy receives payment directly.

DIVIDENDS (CASH AND SHARE PAYMENTS)

Just Energy reduced its dividend to an annual rate of $0.50 per share effective July 1, 2014 to be paid quarterly. Prior to this, the annual dividend rate was $0.84 per share. The revised dividend policy provides that shareholders of record on the 15th day of March, June, September and December, or the first business day thereafter, receive dividends at the end of that month. During the year ended March 31, 2016, Just Energy paid cash dividends to its shareholders and distributions to holders of share-based awards in the amount of $74.7 million, compared to $83.0 million paid in the prior comparable year with the decrease being attributable to the decrease in annual dividend rate effective July 1, 2014.

The dividend reinvestment plan ("DRIP") reduces the amount of cash dividends as a portion of dividends declared is paid through the issuance of additional shares. Under the program, Canadian resident shareholders could elect to receive their dividends in shares at a 2% discount on the prevailing market price rather than the cash equivalent. The program was suspended effective January 1, 2015.

Balance sheet as at March 31, 2016, compared to March 31, 2015

Cash increased from $78.8 million as at March 31, 2015, to $127.6 million. The increase in cash is primarily attributable to strong operating performance. During fiscal 2016, Just Energy also repaid $25.0 million of the senior unsecured note and purchased and retired $7.0 million of convertible debentures.

As of March 31, 2016, trade receivables and unbilled revenue amounted to $362.3 million and $227.4 million, respectively, compared to March 31, 2015, when the trade receivables and unbilled revenue amounted to $459.4 million and $219.6 million, respectively. Trade payables decreased from $510.5 million to $458.9 million year over year. The lower accounts receivable and accounts payable balances reflect the lower consumption in the current year as a result of seasonally warmer winter weather.

In Michigan, more gas has been delivered to LDCs than consumed by customers, resulting in gas delivered in excess of consumption and a deferred revenue position of $6.3 million and $23.0 million, respectively, as of March 31, 2016. In Ontario, Manitoba and Quebec, more gas was consumed by customers than Just Energy had delivered to the LDCs. As a result, Just Energy has recognized an accrued gas receivable and accrued gas payable for $13.6 million and $11.3 million, respectively, as of March 31, 2016. These amounts decreased from $46.0 million and $28.9 million, respectively, as of March 31, 2015, as a result of the impact on consumption from the warmer winter weather in fiscal 2016.

Prepaid expenses and deposits increased from $22.9 million at March 31, 2015 to $62.3 million as of March 31, 2016. Effective fiscal 2016, newly capitalized commissions will be classified as a current asset (prepaid expense) instead of a non-current asset (contract initiation costs), which resulted in a $22.4 million increase in prepaid expense year over year and growth in the U.K. operations.

Other assets and other liabilities relate entirely to the fair value of the financial derivatives. The mark to market gains and losses can result in significant changes in profit and, accordingly, shareholders' equity from year to year due to commodity price volatility. Given that Just Energy has purchased this supply to cover future customer usage at fixed prices, management believes that these non-cash changes are not meaningful and will not be experienced as future costs or cash outflows.

Intangible assets include the goodwill and acquired customer contracts, as well as other intangibles such as brand, broker network and information technology systems, primarily related to the acquisitions in 2009, 2010 and 2011. The total intangible asset balance decreased to $345.9 million from $348.5 million during the year ended March 31, 2016 as a result of amortization of the intangible assets.

Long-term debt has decreased from $676.5 million as at March 31, 2015 to $660.5 million as at March 31, 2016, as a result of the $25 million repayment of the senior unsecured note along with the retirement of $7.0 million of convertible debentures. This decrease was offset by the higher valuation of the U.S.-based $150m convertible bonds as a result of change in the exchange rate to Canadian dollars. The book value of net debt was 2.6x for the Base EBITDA, significantly improved from 3.3x just one year ago.

Debt and financing for continuing operations

(thousands of dollars)

	March 31, 2016	March 31, 2015
Senior unsecured note	**$ 80,000**	$ 105,000
$330m convertible debentures	**311,028**	310,083
$100m convertible debentures	**93,637**	91,445
US$150m convertible bonds	**182,564**	175,003

JUST ENERGY CREDIT FACILITY

As at March 31, 2016, Just Energy has a credit facility of $277.5 million. The current syndicate of lenders includes Shell Energy North America (Canada) Inc./Shell Energy North America (U.S.), L.P., Canadian Imperial Bank of Commerce, National Bank of Canada, HSBC Bank Canada, Alberta Treasury Branches and Canadian Western Bank. The term of the credit facility expires on September 1, 2018.

Under the terms of the credit facility, Just Energy is able to make use of Bankers' Acceptances and LIBOR advances at a stamping fee of 3.75%, prime rate advances at rates of interest of bank prime plus 2.75%, and letters of credit at 3.75%. Interest rates are adjusted quarterly based on certain financial performance indicators.

As at March 31, 2016, the Canadian prime rate was 2.70% and the U.S. prime rate was 3.50%. As at March 31, 2016 and 2015, no amount has been drawn against the facility. Total letters of credit outstanding as of March 31, 2016 amounted to $130.0 million (March 31, 2015 – $134.8 million). As at March 31, 2016, Just Energy has $147.5 million of the facility remaining for future working capital and security requirements. Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates and secured by a general security agreement and a pledge of the assets and securities of Just Energy and the majority of its operating subsidiaries and affiliates excluding, primarily, the U.K. operations. Just Energy is required to meet a number of financial covenants under the credit facility agreement. As at March 31, 2016, the Company was compliant with all of these covenants.

Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates, excluding, primarily, the U.K. operations, and secured by a pledge of the assets of Just Energy and the majority of its operating subsidiaries and affiliates. Just Energy is required to meet a number of financial covenants under the credit facility agreement. As at March 31, 2016, all of the covenants had been met.

SENIOR UNSECURED NOTE

On March 31, 2016, Just Energy early redeemed $25 million of the original $105 million principal on its senior unsecured note, resulting in a balance outstanding of $80 million. The senior unsecured note bears interest at 9.75% and matures in June 2018. The senior unsecured note is subject to certain financial and other covenants and as of March 31, 2016, all of the covenants have been met.

In conjunction with the covenant requirements associated with the issuance of senior unsecured notes, the following represents select financial disclosure for the "Restricted Subsidiaries" as defined within the Note Indenture, which generally excludes the U.K. operations.

	Fiscal 2016	Fiscal 2015
Base EBITDA	**$ 195,937**	$ 177,700
Selling and marketing expenses to add gross margin	**118,333**	73,133
Share-based compensation	**5,345**	7,110
Maintenance capital expenditures	**12,285**	17,785

$330M CONVERTIBLE DEBENTURES

To fund an acquisition in May 2010, Just Energy issued $330 million of convertible extendible unsecured subordinated debentures. The $330 million convertible debentures bear an interest rate of 6% per annum payable semi-annually in arrears on June 30 and December 31 in each year, with maturity on June 30, 2017. Each $1,000 principal amount of the $330 million convertible debentures is convertible at any time prior to maturity or on the date fixed for redemption, at the option of the holder, into approximately 55.6 shares of Just Energy, representing a conversion price of $18 per share. The debentures may be redeemed by Just Energy, in whole or in part, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest.

During the year ended March 31, 2016, the Company purchased and retired $7.0 million (2015 – $1.6 million) of convertible debentures and has adjusted the net book value accordingly.

$100M CONVERTIBLE DEBENTURES

In September 2011, Just Energy issued $100 million of convertible unsecured subordinated debentures. The $100 million convertible debentures bear interest at an annual rate of 5.75%, payable semi-annually on March 31 and September 30 in each year, and have a maturity date of September 30, 2018. Each $1,000 principal amount of the $100 million convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the last business day immediately preceding the date fixed for redemption, into 56.0 common shares of Just Energy, representing a conversion price of $17.85 per share.

Prior to September 30, 2016, the $100 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares of Just Energy on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is at least 125% of the conversion price. On or after September 30, 2016, the $100 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest.

$150M CONVERTIBLE BONDS

In January 2014, Just Energy issued US$150 million of European-focused senior unsecured convertible bonds, which bear interest at an annual rate of 6.5%, payable semi-annually in arrears in equal installments on January 29 and July 29 in each year. The maturity date of the $150m convertible bonds is July 29, 2019.

A Conversion Right in respect of a bond may be exercised, at the option of the holder thereof, at any time (the "Conversion Period") (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from May 30, 2014 (being the date falling four months and one day after the closing date) to the close of business on the business day falling 22 business days prior to the final maturity date. The initial conversion price is US$9.3762 per common share (being C$10.2819 translated into U.S. dollars at the fixed exchange rate) but is subject to adjustments.

Contractual obligations

In the normal course of business, Just Energy is obligated to make future payments for contracts and other commitments that are known and non-cancellable.

PAYMENTS DUE BY PERIOD

(thousands of dollars)

	Total	Less than 1 year	1–3 years	4–5 years	After 5 years
Trade and other payables	$ 458,922	$ 458,922	$ –	$ –	$ –
Long-term debt (contractual cash flow)	696,221	–	501,416	194,805	–
Interest payments	91,031	42,586	43,570	4,875	–
Premises and equipment leasing	30,287	6,216	9,565	6,493	8,013
Long-term gas and electricity contracts	3,808,888	2,099,984	1,442,238	231,227	35,439
	$ 5,085,349	$ 2,607,708	$ 1,996,789	$ 437,400	$ 43,452

OTHER OBLIGATIONS

In the opinion of management, Just Energy has no material pending actions, claims or proceedings that have not been included either in its accrued liabilities or in the consolidated financial statements. In the normal course of business, Just Energy could be subject to certain contingent obligations that become payable only if certain events were to occur. The inherent uncertainty surrounding the timing and financial impact of any events prevents any meaningful measurement, which is necessary to assess any material impact on future liquidity. Such obligations include potential judgments, settlements, fines and other penalties resulting from actions, claims or proceedings.

Transactions with related parties

Just Energy does not have any material transactions with any individuals or companies that are not considered independent of Just Energy or any of its subsidiaries and/or affiliates.

Off balance sheet items

The Company has issued letters of credit in accordance with its credit facility totalling $130.0 million to various counterparties, primarily utilities in the markets where it operates, as well as suppliers.

Pursuant to separate arrangements with several bond agencies, The Hanover Insurance Group and Charter Brokerage LLC, Just Energy has issued surety bonds to various counterparties including states, regulatory bodies, utilities and various other surety bond holders in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Total surety bonds issued as at March 31, 2016 were $52.9 million.

Critical accounting estimates

The consolidated financial statements of Just Energy have been prepared in accordance with IFRS. Certain accounting policies require management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, cost of sales, selling and marketing, and administrative expenses. Estimates are based on historical experience, current information and various other assumptions that are believed to be reasonable under the circumstances. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

The following assessment of critical accounting estimates is not meant to be exhaustive. Just Energy might realize different results from the application of new accounting standards promulgated, from time to time, by various rule-making bodies.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Just Energy performed its annual impairment test as at March 31, 2016. Just Energy considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2016, the market capitalization of Just Energy was above the book value of its equity, indicating that a potential impairment of goodwill and intangible assets with indefinite lives does not exist.

The recoverable amount of each of the cash generating units has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. The projections for the first year have been approved by the Audit Committee; the assumptions used in the following years have been approved by the senior management. The calculation of the value-in-use for each unit is most sensitive to the following assumptions:

- Customer consumption assumptions used in determining gross margin;
- New customer additions, attrition and renewals;
- Selling and marketing costs;
- Discount rates; and
- Growth rates used to extrapolate cash flows beyond the budget period.

Customer consumption is forecasted using normalized historical correlation between weather and customer consumption and weather projections. Just Energy uses weather derivatives to mitigate the risk that weather will deviate from expectations. An average customer consumption growth rate of 10% was used in the projections. A 5% decrease in the consumption assumptions would not have an impact on the results of the impairment test.

New customer additions and attrition and renewal rate estimates are based on historical results and are adjusted for new marketing initiatives that are included in the budget. A 10% average increase in the overall customer base was used in the projections. A 5% decrease annually in the overall customer base would not have an impact on the results of the impairment test.

Selling costs fluctuate with customer additions, renewals and attrition. Selling costs used in the financial forecast are based on assumptions consistent with the above new customer additions, renewals and attritions. Rates used are based on historical information and are adjusted for new marketing initiatives included in the budget. An average increase of 10% was applied to selling costs in the projections. A 5% increase annually in selling costs would not have an impact on the results of the impairment test.

Discount rates represent the current market assessment of the risks specific to the Company, regarding the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of Just Energy and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Just Energy's investors, and the cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Just Energy used a discount rate of 10%. A 5% increase in the WACC would not have an impact on the results of the impairment test.

In addition to the above assumptions, the expected forecasted performance assumes that there will not be any new legislation that will have a negative impact on Just Energy's ability to market its products in the jurisdictions in which it currently operates. Any changes in legislation would only impact the respective jurisdiction. This item is out of the control of management and cannot be predicted. Management has used all information available to prepare its financial projections.

DEFERRED TAXES

In accordance with IFRS, Just Energy uses the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized on the differences between the carrying amounts of assets and liabilities and their respective income tax basis.

Preparation of the consolidated financial statements involves determining an estimate of, or provision for, income taxes in each of the jurisdictions in which Just Energy operates. The process also involves making an estimate of taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred income taxes. Deferred income taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the consolidated statements of financial position as deferred income tax assets and liabilities. An assessment must also be made to determine the likelihood that our future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, deferred income tax assets must be reduced. The reduction of the deferred income tax asset can be reversed if the estimated future taxable income improves. No assurances can be given as to whether any reversal will occur or as to the amount or timing of any such reversal. Management must exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation to ensure deferred income tax assets and liabilities are complete and fairly presented. Assessments and applications differing from our estimates could materially impact the amount recognized for deferred income tax assets and liabilities.

Deferred income tax assets of $41.0 million and $26.6 million have been recorded on the consolidated statements of financial position as at March 31, 2016 and March 31, 2015, respectively. These assets primarily relate to mark to market losses on our derivative financial instruments. Management believes there will be sufficient taxable income that will permit the use of these future tax assets in the tax jurisdictions where they exist. When evaluating the future tax position, Just Energy assesses its ability to use deferred tax assets based on expected taxable income in future periods. As at March 31, 2016, no deferred tax assets were recognized in the U.S.

Deferred income tax liabilities of $1.4 million and $1.3 million have been recorded on the consolidated statements of financial position as at March 31, 2016 and March 31, 2015, respectively. These liabilities are primarily due to unrealized foreign exchange gain, which, when realized, will be recognized for tax purposes.

Fluctuations in deferred tax balances are primarily driven by changes in the fair value of derivative financial instruments. Any increase or decrease in the fair value of the derivative financial instruments will decrease or increase the net tax asset position by the effective tax rate of the entity.

SUBSIDIARIES

Subsidiaries that are not wholly owned by Just Energy require judgment in determining the amount of control that Just Energy has over that entity and the appropriate accounting treatments. In these consolidated financial statements, management has determined that Just Energy controls Just Ventures and, therefore, has treated the 50% that is not owned by Just Energy as a non-controlling interest.

USEFUL LIFE OF KEY PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Each significant component is depreciated over its estimated useful life. A component can be separately identified as an asset and is expected to provide a benefit of greater than one year. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence and regulations. The useful lives of property, plant and equipment and depreciation rates used are reviewed at least annually to ensure they continue to be appropriate.

Depreciation and amortization expense from continuing operations for the year ended March 31, 2016 recorded in the consolidated statements of income (loss) was $42.7 million compared with $76.0 million for the year ended March 31, 2015.

Fair value of financial instruments and risk management

Just Energy has entered into a variety of derivative financial instruments as part of the business of purchasing and selling gas, electricity and JustGreen supply. Just Energy enters into contracts with customers to provide electricity and gas at fixed prices and provide comfort to certain customers that a specified amount of energy will be derived from green generation or carbon destruction. These customer contracts expose Just Energy to changes in market prices to supply these commodities. To reduce the exposure to the commodity market price changes, Just Energy uses derivative financial and physical contracts to secure fixed-price commodity supply to cover its estimated fixed-price delivery or green commitment.

Just Energy's objective is to minimize commodity risk, other than consumption changes, usually attributable to weather. Accordingly, it is Just Energy's policy to hedge the estimated fixed-price requirements of its customers with offsetting hedges of natural gas and electricity at fixed prices for terms equal to those of the customer contracts. The cash flow from these supply contracts is expected to be effective in offsetting Just Energy's price exposure and serves to fix acquisition costs of gas and electricity to be delivered under the fixed-price or price-protected customer contracts. Just Energy's policy is not to use derivative instruments for speculative purposes.

Just Energy's U.S. and U.K. operations introduce foreign exchange-related risks. Just Energy enters into foreign exchange forwards in order to hedge its exposure to fluctuations in cross border cash flows.

The consolidated financial statements are in compliance with IAS 32, Financial Instruments: Presentation; IAS 39, Financial Instruments: Recognition and Measurement; and IFRS 7, Financial Instruments: Disclosure. All the mark to market changes on Just Energy's derivative instruments are recorded on a single line on the consolidated income statement. Due to commodity volatility and to the size of Just Energy, the swings in mark to market on these positions will increase the volatility in Just Energy's earnings.

The Company's financial instruments are valued based on the following fair value ("FV") hierarchy:

LEVEL 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted unadjusted market prices.

LEVEL 2

Fair value measurements that require observable inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be directly or indirectly observable in the market. Just Energy values its New York Mercantile Exchange ("NYMEX") financial gas fixed-for-floating swaps under Level 2.

LEVEL 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. For the supply contracts, Just Energy uses quoted market prices as per available market forward data and applies a price-shaping profile to calculate the monthly prices from annual strips and hourly prices from block strips for the purposes of mark to market calculations. The profile is based on historical settlements with counterparties or with the system operator and is considered an unobservable input for the purpose of establishing the level in the FV hierarchy. For the natural gas supply contracts, Just Energy uses three different market observable curves: i) Commodity (predominately NYMEX), ii) Basis and iii) Foreign exchange. NYMEX curves extend for over five years (thereby covering the length of Just Energy's contracts); however, most basis curves only extend 12 to 15 months into the future. In order to calculate basis curves for the remaining years, Just Energy uses extrapolation, which leads natural gas supply contracts to be classified under Level 3.

For the share swap, Just Energy uses a forward interest rate curve along with a volume weighted average share price. The Eurobond conversion feature is valued using an option pricing model.

Fair value measurement input sensitivity

The main cause of changes in the fair value of derivative instruments is changes in the forward curve prices used for the fair value calculations. Below is a sensitivity analysis of these forward curves. Other inputs, including volatility and correlations, are driven off historical settlements.

COMMODITY PRICE RISK

Just Energy is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly, thresholds for open positions in the gas and electricity portfolios, which also feed a Value at Risk limit. Should any of the limits be exceeded, they are closed expeditiously or express approval to continue to hold is obtained. Just Energy's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, and volatility and liquidity of markets. Just Energy enters into derivative instruments in order to manage exposures to changes in commodity prices. The derivative instruments used are designed to fix the price of supply for estimated customer commodity demand and thereby fix margins such that shareholder dividends can be appropriately established. Derivative instruments are generally transacted over the counter. The inability or failure of Just Energy to manage and monitor the above market risks could have a material adverse effect on the operations and cash flows of Just Energy. Just Energy mitigates the exposure to variances in customer requirements that are driven by changes in expected weather conditions, through active management of the underlying portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to mitigate weather effects is limited by the degree to which weather conditions deviate from normal.

COMMODITY PRICE SENSITIVITY – ALL DERIVATIVE FINANCIAL INSTRUMENTS

If all the energy prices associated with derivative financial instruments, including natural gas, electricity, verified emission-reduction credits and renewable energy certificates, had risen (fallen) by 10%, assuming that all the other variables had remained constant, income before income taxes for the year ended March 31, 2016 would have increased (decreased) by $218.4 million ($218.0 million) primarily as a result of the change in fair value of Just Energy's derivative instruments.

COMMODITY PRICE SENSITIVITY – LEVEL 3 DERIVATIVE FINANCIAL INSTRUMENTS

If the energy prices associated with only Level 3 derivative instruments, including natural gas, electricity, verified emission-reduction credits and renewable energy certificates, had risen (fallen) by 10%, assuming that all the other variables had remained constant, income before income taxes for the year ended March 31, 2016 would have increased (decreased) by $197.1 million ($196.8 million) primarily as a result of the change in fair value of Just Energy's derivative instruments.

RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for uncollectible accounts reflects Just Energy's best estimates of losses on the accounts receivable balances. Just Energy determines the allowance for doubtful accounts on customer receivables by applying loss rates based on historical results to the outstanding receivable balance. Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois, Ohio, Delaware, California, Michigan and Georgia and commercial direct-billed accounts in British Columbia, New York and Ontario. Credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all the above markets.

Revenues related to the sale of energy are recorded when energy is delivered to customers. The determination of energy sales to individual customers is based on systematic readings of customer meters generally on a monthly basis. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and corresponding unbilled revenue is recorded. The measurement of unbilled revenue is affected by the following factors: daily customer usage, losses of energy during delivery to customers and applicable customer rates.

Increases in volumes delivered to the utilities' customers and favourable rate mix due to changes in usage patterns in the period could be significant to the calculation of unbilled revenue. Changes in the timing of meter reading schedules and the number and type of customers scheduled for each meter reading date would also have an effect on the measurement of unbilled revenue; however, total operating revenues would remain materially unchanged.

Just Energy common shares

As at May 18, 2016, there were 147,196,778 common shares of Just Energy outstanding.

Normal course issuer bid

Just Energy has the ability to make a normal course issuer bid to purchase for cancellation a portion of the outstanding $330m convertible debentures, $100m convertible debentures as well as the Just Energy common shares up to March 16, 2017. Under each NCIB, Just Energy may purchase debentures and common shares representing 10% of the outstanding public float at close of business February 29, 2016 up to daily and total limits. For the year ended March 31, 2016, Just Energy had purchased $7.0 million (2015 – $1.6 million) of the $330m convertible debentures.

Just Energy believes that the debentures and common shares may trade in a range that may not fully reflect their value. As a result, Just Energy believes that the purchase of the debentures and common shares from time to time can be undertaken at prices that make the acquisition of such securities an appropriate use of Just Energy's available funds. In addition, purchases under each of the NCIBs may increase the liquidity of the debentures and common shares and will enable Just Energy to deleverage its balance sheet. Just Energy intends to continue to buy back debentures and common shares when the circumstances present themselves in a way that maximizes value for Just Energy. The Company's current priority is the repurchase of debentures at attractive prices.

Accounting standards issued but not yet applied

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on July 24, 2014, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 also uses a new model for hedge accounting aligning the accounting treatment with risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 9 on the consolidated financial statements.

IFRS 11, Joint Arrangements ("IFRS 11"), Accounting for Acquisitions of Interests in Joint Operations, requires an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles on business combination accounting in IFRS 3, Business Combinations, and other IFRS that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRS in relation to business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be re-measured if the joint operator retains joint control. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company does not expect this standard to have any impact on the consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or industry. The standard will also provide guidance on the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The standard also outlines increased disclosures that will be required, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods, and key judgments and estimates made. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 15 on the consolidated financial statements.

IAS 16 and IAS 38, Property, Plant and Equipment and Intangible Assets ("IAS 16 and 38"), clarify the acceptable methods of depreciation and amortization where revenue reflects a pattern of economic benefits generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1"), were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarifications in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect this standard to have any impact on the consolidated financial statements.

IFRS 16, Leases ("IFRS 16"), was issued by the IASB in January 2016. This guidance brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Furthermore, per the standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17, Leases, and related interpretations, and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. Just Energy has not yet assessed the impact of this standard.

Risk factors

Described below are the principal risks and uncertainties that Just Energy can foresee. It is not an exhaustive list, as some future risks may be as yet unknown and other risks, currently regarded as immaterial, could turn out to be material.

MARKET RISK

Market risk is a potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity.

Commodity price risk

Just Energy's cost to serve its retail energy customers is exposed to fluctuations in commodity prices. Although Just Energy enters into commodity derivative instruments with its suppliers to manage the commodity price risks, it is exposed to commodity price risk where estimated customer requirements do not match actual customer requirements or where it is not able to exactly purchase the estimated customer requirements. In such cases, Just Energy may suffer a loss if it is required to sell excess supply in the spot market (compared to its weighted average cost of supply) or to purchase additional supply in the spot market. Such losses could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

A key risk to Just Energy's business model is a sudden and significant drop in the commodity market price resulting in an increase in customer churn, regulatory pressure and resistance on enforcement of liquidation damages, and enactment of provisions to reset the customer price to current market price levels, which could have significant impact on Just Energy's business.

Commodity volume balancing risk

Depending on several factors, including weather, Just Energy's customers may use more or less commodity than the volume purchased by Just Energy for delivery to them. Just Energy bears the financial responsibility, is exposed to market risk and, furthermore, may also be exposed to penalties by the LDCs for balancing the customer volume requirements. Although Just Energy manages the volume balancing risk through balancing language in some of its retail energy contracts, enters into weather derivative transactions to mitigate weather risk and leverages natural gas storage facilities to manage daily delivery requirements, increased costs and/or losses resulting from occurrences of volume imbalance net of Just Energy's risk management activities could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

Interest rate risk

Just Energy is exposed to interest rate risk associated with its credit facility. Current exposure to interest rate risk associated with its credit facility does not economically warrant the use of derivative instruments.

Foreign exchange rate risk

Just Energy is exposed to foreign exchange risk on repatriation of U.S. dollar denominated and U.K. pound denominated income against Canadian dollar denominated dividends. In addition, Just Energy is exposed to translation risk on U.S. dollar and U.K. pound denominated earnings and foreign investments. Just Energy enters into foreign exchange derivative instruments to manage the cash flow risk on repatriation of foreign funds. Currently, Just Energy does not enter into derivative instruments to manage foreign exchange translation risk. Large fluctuations in foreign exchange rates may have a significant impact on Just Energy's earnings and cash flow. In particular, a significant rise in the relative value of the Canadian dollar to the U.S. dollar or U.K. pound could materially reduce reported earnings and cash flow.

LIQUIDITY RISK

Just Energy is at risk of not being able to settle its future debt obligations including convertible debentures and commercial notes. Increase in liquidity risk may put Just Energy's cash dividend at risk or require Just Energy to raise additional funds. Liquidity risk may cause Just Energy to close down, sell or otherwise dispose of all or part of the business of Just Energy's subsidiaries.

Credit agreement and other debt

Just Energy maintains a credit facility of up to $277.5 million for working capital purposes, pursuant to a credit agreement with various lenders (the "Credit Agreement"). The lenders under the Credit Agreement, together with certain suppliers of Just Energy and its affiliates, are party to the Credit Agreement and related security agreement, which provide for a joint security interest over all customer contracts. There are various covenants pursuant to the Credit Agreement that govern activities of Just Energy and its affiliates. The restrictions in the Credit Agreement may adversely affect Just Energy's ability to finance its future operations and capital needs and to pursue available business opportunities. Should Just Energy or its subsidiary default under the terms of the Credit Agreement, the credit facility thereunder may become unavailable and may materially reduce Just Energy's liquidity. There can be no assurance that Just Energy would be able to obtain alternative financing or that such financing would be on terms favourable to Just Energy. In addition, Just Energy may not be able to extend, renew or refinance the credit facility on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position, in which case Just Energy could be forced to sell assets or secure additional financing to make up for any shortfall in its payment obligations under unfavourable circumstances.

Just Energy has significant levels of other debt, including convertible debentures and bonds and a senior unsecured note, which could further limit Just Energy's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes, which could make Just Energy more vulnerable to economic downturns and adverse industry developments or limit flexibility in planning for or reacting to changes in its business. There can be no assurance that Just Energy would be able to refinance or replace such debt on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position.

Working capital requirements (availability of credit)

In several markets where Just Energy operates, payment is provided to Just Energy by LDCs only when the customer has paid the LDC for the consumed commodity, rather than when the commodity is delivered. Just Energy also manages natural gas storage facilities where Just Energy must inject natural gas in advance of payment. These factors, along with seasonality in energy consumption, create a working capital requirement necessitating the use of Just Energy's available credit. In addition, Just Energy and its subsidiaries are required to post collateral to LDCs and Electricity System Operators. Any changes in payment terms managed by LDCs, any increase in cost of carrying natural gas storage inventory and any increase in collateral posting requirements could result in significant liquidity risk to Just Energy.

Earnings seasonality and volatility

Just Energy's business is seasonal in nature. In addition to regular seasonal fluctuations in its earnings, there is significant volatility in its earnings associated with the requirement to mark its commodity contracts to market. The earnings volatility associated with seasonality and mark to market accounting may affect the ability of Just Energy to access capital and increase its liquidity risk.

Cash dividends are not guaranteed

The ability to pay dividends and the actual amount of dividends will depend upon numerous factors, including profitability, fluctuations in working capital, debt service requirements (including compliance with Credit Agreement obligations) and the sustainability of margins. Cash dividends are not guaranteed and will fluctuate with the performance of Just Energy and the availability of cash liquidity from ongoing business operations.

Share ownership dilution

Just Energy may issue an unlimited number of common shares and up to 50,000,000 preferred shares without the approval of shareholders, which would dilute existing shareholders' interests.

SUPPLY COUNTERPARTY RISK

Counterparty risk is a loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations.

Credit risk

Just Energy enters into long-term derivative contracts with its counterparties. If a derivative counterparty were to default on its contractual obligations, Just Energy would be required to replace its contracted commodities or instruments at prevailing market prices, which would negatively affect related customer margin or cash flows.

Supply delivery risk

Just Energy's business model is based on contracting for supply of electricity or natural gas to deliver to its customers. Failure by Just Energy's supply counterparties to deliver these commodities to Just Energy due to business failure, supply shortage, force majeure or any other failure of such counterparties to perform their obligations under the applicable contracts would put Just Energy at risk of not meeting its delivery requirements with LDCs, thereby resulting in penalties, price risk, liquidity, and collateral risk and may have a significant impact on the business, financial condition, results of operations and cash flows of Just Energy.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is a potential loss that may be incurred as a result of changes in regulations or legislation affecting Just Energy's business model, costs or operations, as well as being a risk of potential litigation against Just Energy resulting in impact to Just Energy's cash flow.

Regulatory environment

Just Energy may receive complaints from consumers, which may involve sanctions from regulatory and legal authorities. The most significant potential sanction is the suspension or revocation of a license, which would prevent Just Energy from selling in a particular jurisdiction.

Changes to consumer protection legislation may impact Just Energy's business model and may include additional measures that require additional administration together with potential impacts to contracting, renewal and retention rates.

Just Energy is exposed to changes in energy market regulations that may put the onus on Just Energy to adhere to stricter renewable energy compliance standards, procure additional volume of capacity and transmission units and pay regulated tariff and charges for transmission and distribution of energy, which may change from time to time. In certain cases, Just Energy may not be able to pass through the additional costs from changes in energy market regulations to its customers that may impact Just Energy's business, financial condition and cash flows.

Just Energy's business model involves entering into derivative financial instruments to manage commodity price and supply risk. Financial reforms in the U.S., Canada and Europe may require Just Energy to comply with certain aspects of reporting, record keeping, position limits and other risk mitigation and price transparency rules that result in increased scrutiny of commodity procurement activities. Costs resulting from Just Energy's compliance with certain new regulatory requirements as well as increased costs of doing business with Just Energy's counterparties, who may be subject to even greater regulatory requirements, could have a material impact on Just Energy's business.

Litigation

In addition to the litigation referenced herein (see "Legal proceedings" on page 50) and occurring in the ordinary course of business, Just Energy may in the future be subject to class actions and other actions arising in relation to its consumer contracts and marketing practices. This litigation is, and any such additional litigation could be, time consuming and expensive and could distract the executive team from the conduct of Just Energy's daily business and may result in costly settlement arrangements. An adverse resolution or reputational damage of any specific lawsuit could have a material adverse effect on Just Energy's business or results of operations and the ability to favourably resolve other lawsuits.

In certain jurisdictions, independent contractors that contract with Just Energy to provide door-to-door sales have made claims, either individually or as a class, that they are entitled to employee benefits such as minimum wage or overtime pursuant to legislation, even though they have entered into a contract with Just Energy that provides that they are not entitled to benefits normally available to employees. Just Energy's position has been confirmed in some instances and overturned by regulatory bodies and courts in others, and some of these decisions are under appeal. Should the regulatory bodies or claimants ultimately be successful, Just Energy would be required to remit unpaid tax amounts plus interest and might be assessed a penalty, of which amounts could be substantial.

RETAIL RISK

Retail customer risk is a potential loss that may be incurred as a result of change in customer behaviour and from an increase in competition in the retail energy industry.

Consumer contract attrition and renewal rates

Just Energy may experience an increase in attrition rates and lower acceptance rates on renewal requests due to commodity price volatility, increased competition or change in customer behaviour. There can be no assurance that the historical rates of annual attrition will not increase substantially in the future or that Just Energy will be able to renew its existing energy contracts at the expiry of their terms. Any such increase in attrition or failure to renew could have a material adverse impact on Just Energy's business, financial condition, operating results, cash flow, liquidity and prospects.

Customer credit risk

Just Energy has credit risk in various markets where bills are sent directly to customers for energy consumption from Just Energy. If a significant number of direct bill customers were to default on their payments, it could have a material adverse effect on the results of operations, cash flow and liquidity of Just Energy.

For the remaining customers, the LDCs provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee. There is no assurance that the LDCs that provide these services will continue to do so in the future, which would mean that Just Energy would have to accept additional customer credit risk.

Competition

A number of companies and incumbent utility subsidiaries compete with Just Energy in the residential, commercial and small industrial market. It is possible that new entrants may enter the market as marketers and compete directly for the customer base that Just Energy targets, slowing or reducing its market share. If the LDCs are permitted by changes in the current regulatory framework to sell natural gas or electricity at prices other than at cost, their existing customer bases could provide them with a significant competitive advantage. This could limit the number of customers available for marketers, including Just Energy, and impact Just Energy's growth and retention.

BUSINESS OPERATIONS RISKS

Business operations risk is a potential loss occurring from an unplanned interruption or cyber-attack, manual or system errors, or business earnings risk unique to the retail energy sales industry.

Cyber risk

Just Energy's business requires retaining important customer information that is considered private, such as name, address, banking and payment information, drivers' licenses, and Social Security and Social Insurance numbers. Although Just Energy protects this information with restricted access and enters into cyber risk insurance policies, there could be a significant adverse impact to the business, reputation and customer relations should the private information be compromised due to a cyber-attack on Just Energy's information technology systems.

Just Energy's vendors, suppliers and market operators rely on information technology systems to deliver services to Just Energy. These systems may be prone to cyber-attacks, which could result in market disruption and impact Just Energy's business operations, finances and cash.

Just Energy is also subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Just Energy's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by our customers. There can be no assurance that the limitations of liability in Just Energy's contracts would be enforceable or adequate or would otherwise protect Just Energy from any such liabilities or damages with respect to any particular claim. The successful assertion of one or more large claims against Just Energy that exceeds its available insurance coverage could have an adverse effect on our business, financial condition and results of operations.

Information Technology systems

Just Energy relies on Information Technology ("IT") systems to store critical information, generate financial forecasts, report financial results and make applicable securities law filings. Just Energy also relies on IT systems to make payments to suppliers, pay commissions to brokers and independent contractors, enroll new customers, send monthly bills to customers and collect payments from customers. Failure of these systems could have a material adverse effect on Just Energy's business and financial prospects or cause it to fail to meet its reporting obligations, which could result in a suspension or delisting of its common shares.

Model risk

The approach to calculation of market value and customer forecasts requires data-intensive modelling used in conjunction with certain assumptions when independently verifiable information is not available. Although Just Energy uses industry standard approaches and validates its internally developed models, should underlying assumptions prove incorrect or an embedded modelling error go undetected in the vetting process, this could result in incorrect estimates and thereby have a material adverse impact on Just Energy's business, financial condition, results of operations, cash flow and liquidity.

Accounting estimates risks

Just Energy makes accounting estimates and judgments in the ordinary course of business. Such accounting estimates and judgments will affect the reported amounts of Just Energy's assets and liabilities at the date of its financial statements and the reported amounts of its operating results during the periods presented. Additionally, Just Energy interprets the accounting rules in existence as of the date of its financial statements when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, or if Just Energy's auditors or regulators subsequently interpret Just Energy's application of accounting rules differently, subsequent adjustments could have a material adverse effect on Just Energy's operating results for the period or periods in which the change is identified. Additionally, subsequent adjustments could require Just Energy to restate historical financial statements.

Risks from adoption of new accounting standards or interpretations

Implementation of and compliance with changes in accounting rules and interpretations could adversely affect Just Energy's operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that Just Energy must comply with are complex and continually changing. While Just Energy believes that its financial statements have been prepared in accordance with IFRS, Just Energy cannot predict the impact of future changes to accounting principles or Just Energy's accounting policies on its financial statements going forward.

Risks from deficiencies in internal control over financial reporting

Just Energy may face risks if there are deficiencies in its internal control over financial reporting and disclosure controls and procedures. The Board of Directors, in coordination with the Audit Committee, is responsible for assessing the progress and sufficiency of internal control over financial reporting and disclosure controls and procedures and makes adjustments as necessary. Any deficiencies, if uncorrected, could result in Just Energy's financial statements being inaccurate and in future adjustments or restatements of Just Energy's historical financial statements, which could adversely affect the business, financial condition and results of operations of Just Energy.

Outsourcing and third party service agreements

Just Energy has outsourcing arrangements to support its call centre's requirements for business continuity plans and independence for regulatory purposes, billing and settlement arrangements for certain jurisdictions, scheduling responsibilities in certain jurisdictions and operational support for its operations in the United Kingdom. Contract data input is also outsourced as is some corporate business continuity, IT development and disaster recovery functions. Should the outsourced counterparties not deliver their contracted services, Just Energy may experience service and operational gaps that adversely impact customer retention and aggregation and cash flows.

In most jurisdictions in which Just Energy operates, the LDCs currently perform billing and collection services. If the LDCs cease to perform these services, Just Energy would have to seek a third party billing provider or develop internal systems to perform these functions. This could be time consuming and expensive.

Disruption to infrastructure

Customers are reliant upon the LDCs to deliver their contracted commodity. LDCs are reliant upon the continuing availability of their distribution infrastructure. Any disruptions in this infrastructure as a result of a hurricane, act of terrorism, cyber-attack or otherwise could result in counterparties' default and, thereafter, Just Energy enacting the force majeure clauses of their contracts. Under such severe circumstances there could be no revenue or margin for the affected areas.

Additionally, any disruptions to Just Energy's operations or sales office may also have a significant impact on business and financial prospects. Although Just Energy has insurance policies that cover business interruption and natural calamities, in certain cases, the insurance coverage may not be sufficient to cover the potential loss.

OTHER RISKS

Share price volatility risk

The common shares currently trade on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE"). The trading price of the common shares has in the past been, and may in the future be, subject to significant fluctuations. These fluctuations may be caused by events related or unrelated to Just Energy's operating performance and beyond its control. Factors such as actual or anticipated fluctuations in Just Energy's operating results (including as a result of seasonality and volatility caused by mark to market accounting for commodity contracts), fluctuations in the share prices of other companies operating in business sectors comparable to those in which Just Energy operates, outcomes of litigation or regulatory proceedings or changes in estimates of future operating results by securities analysts, among other things, may have a significant impact on the market price of the common shares. In addition, the stock market has experienced volatility, which often has been unrelated to the operating performance of the affected companies. These market fluctuations may materially and adversely affect the market price of the common shares, which may make it more difficult for holders of common shares to sell their shares.

Management retention risk

Just Energy's future success will depend on, among other things, its ability to keep the services of its management and to hire other highly qualified employees at all levels. Just Energy will compete with other potential employers for employees, and may not be successful in hiring and keeping the services of executives and other employees that it needs. The loss of the services of, or the inability to hire, executives or key employees could hinder Just Energy's business operations and growth.

Legal proceedings

Just Energy's subsidiaries are party to a number of legal proceedings. Other than as set out below, Just Energy believes that each proceeding constitutes a routine legal matter incidental to the business conducted by Just Energy and that the ultimate disposition of the proceedings will not have a material adverse effect on its consolidated earnings, cash flows or financial position.

The State of California has filed a number of complaints with the Federal Energy Regulatory Commission ("FERC") against many suppliers of electricity, including Commerce Energy Inc. ("CEI"), a subsidiary of the Company, with respect to events stemming from the 2001 energy crisis in California. On March 18, 2010, the assigned Administrative Law Judge granted a motion to strike the claim for all parties in one of the complaints (in favour of the suppliers), holding that California did not prove that the reporting errors masked the accumulation of market power. California has appealed the decision. On June 13, 2012, FERC denied the plaintiff's request for a rehearing, affirming its initial decision. California appealed to the United States District Courts for the Ninth Circuit and oral arguments were heard on February 26, 2015. On April 29, 2015, the appeals court remanded the case back to FERC on grounds that the agency erred in assessing whether market power had resulted in unjust and unreasonable prices when it considered power generation market share only. FERC ordered settlement conferences for all parties and a status conference for May 24, 2016 to schedule hearings and discuss next steps. CEI continues to vigorously contest this matter.

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Ohio Federal Court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. A jury trial on the liability phase was completed on October 6, 2014. The jury reached a verdict that supports the plaintiffs' class and collective action that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements pursuant to the FLSA and Ohio wage and hour laws. Potential amounts owing have yet to be determined and will be subject to a separate damage phase proceeding, which remains unscheduled by the Court. On January 9, 2015, the Court struck the plaintiffs' damage expert report. Just Energy disagrees with the result of the October trial and is of the opinion that it is not supported by existing law and precedent. Just Energy strongly believes it complied with the law and continues to vigorously defend against the claims. The Court granted Just Energy's request to file an interlocutory appeal of the liability finding, but the United States Court of Appeals for the Sixth Circuit denied the request. Appeal steps will be taken after conclusion of the damages phase of the trial.

In August 2013, Levonna Wilkins, a former door-to-door independent contractor for Just Energy Marketing Corp. ("JEMC"), filed a lawsuit against Just Energy Illinois Corp., Commerce Energy Inc., JEMC and the Company (collectively referred to as "Just Energy") in the Illinois Federal District Court claiming entitlement to payment of minimum wage and overtime under Illinois wage claim laws and the FLSA on her own behalf and similarly situated door-to-door sales representatives who sold in Illinois. On March 13, 2015, the Court granted Wilkins' request to certify the lawsuit as a class action to include a class made up of Illinois sales representatives who sold for Just Energy Illinois and Commerce. Just Energy filed a motion for reconsideration objecting to the class definition, and requested that the Court revise its ruling to exclude sales representatives who sold for Commerce, and the motion remains under advisement with the Court. On March 22, 2016, Just Energy's summary judgment motion and motion for reconsideration of certain issues were denied. Just Energy will continue to vigorously contest this matter.

In March 2015, Kevin Flood, a former door-to-door independent contractor for Just Energy Marketing Corp., filed a lawsuit against JEMC, Just Energy New York Corp. and the Company (collectively referred to as "Just Energy") in New York Federal District Court (Southern District) claiming entitlement to payment of minimum wage and overtime under New York wage claim laws and the FLSA on his own behalf and similarly situated door-to-door sales representatives who sold in New York. On January 25, 2016, the Court granted Flood's request to certify the lawsuit as a class action for the FLSA claims to include a class made up of New York sales representatives who sold for Just Energy New York. The class opt in period expired on May 4, 2016. Just Energy filed a motion for summary judgment for dismissal of Flood's claims, which remains pending. Just Energy vigorously contests this matter.

Controls and procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administrators, as of March 31, 2016. Based on that evaluation, the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2016.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management has used the criteria established in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Co-Chief Executive Officers and Chief Financial Officer, the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at March 31, 2016, the Company's internal control over financial reporting was effective based on the applicable criteria. The effectiveness of the Company's internal control over financial reporting has been audited by the independent auditors Ernst & Young LLP, a registered public accounting firm that has also audited the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2016. Their Report of Internal Controls under Standards of the Public Company Accounting Oversight Board (United States), included in the Consolidated Financial Statements, expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of March 31, 2016.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year ended March 31, 2016, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Corporate governance

Just Energy is committed to maintaining transparency in its operations and ensuring its approach to governance meets all recommended standards. Full disclosure of Just Energy's compliance with existing corporate governance rules is available at www.justenergygroup.com and is included in Just Energy's Management Proxy Circular. Just Energy actively monitors the corporate governance and disclosure environment to ensure timely compliance with current and future requirements.

Outlook

Just Energy continues to deploy its strategy to become a world-class consumer enterprise delivering superior value to its customers through a wide range of energy management solutions and a multi-channel approach. Growth plans centre on geographic expansion, structuring superior product value propositions and enhancing the Company's portfolio of energy management offerings. The Company's geographic expansion is centred on Europe where the Company expects to expand into two new European markets in fiscal 2017 and remains committed to evaluating further potential expansion in continental Europe and beyond over the longer term. Just Energy has initiated several superior value propositions. These include successfully rolling out the new flat-bill product in six new markets, piloting and launching energy management solutions such as Residential Solar in California and New York, and planning a new commercial energy storage pilot.

The fiscal 2016 earnings results exceeded management's expectations based on the targets provided. The Company also took steps to strengthen its sales force through the addition of four key sales channel leaders. While sales and net customer additions declined in the fourth quarter, as compared to a very strong fourth quarter of fiscal 2015, due to the Company's refusal to engage in risky pricing tactics that would ultimately damage its improved profitability profile, management feels strongly that the margin per customer improvement initiative will continue to deliver in fiscal 2017 and beyond. Management is confident in the Company's ability to embrace the customer and build longer-term loyalty programs through the offering of a differentiated product suite that will drive its market position growth in a very profitable manner moving forward.

To reflect the progress in repositioning the business, management believes that the Company will achieve fiscal 2017 Base EBITDA in the range of $223 million to $233 million, reflecting continued double-digit year over year percentage growth. Fiscal 2017 guidance includes deductions to Base EBITDA of approximately $40 million for prepaid commercial commissions, which would previously have been included as amortization within selling and marketing expenses. This represents a $22 million increase in this expense over fiscal 2016 and represents a go forward run rate for this incremental deduction in future years. Just Energy expects to offset this headwind with continued strong gross margin performance, as evidenced in the strong fiscal 2016 results.

Just Energy's solar program commenced its initial pilot phases in California and New York during fiscal 2016, with the volume signed during this initial pilot resulting in higher than expected profit. Based on the success of the pilot launch in southern California, operations will continue to grow with further expansion in California and the northeast U.S. In fiscal 2017, Solar is expected to contribute $10 million towards the double-digit percentage Base EBITDA target.

Just Energy's results reflect seasonality, as traditionally, electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). The main impact of this will normally be higher Base EBITDA in the third and fourth quarters (assuming consumption based on normal winter weather) and lower Base EBITDA in the first and second quarters. However, this impact is lessening as current net customer additions are concentrated in electricity, which traditionally experiences less seasonality than natural gas.

The margin per customer improvements in both the residential and commercial business are directly related to our ongoing commitment to Just Energy's margin improvement initiative as well as the impact from the stronger U.S. dollar. While competition is certain to come and go from the space over time, we believe Just Energy can continue to drive margin improvement that can be sustained over the long term as a result of the Company's innovative new products with more appeal and value for customers. This improved profitability per customer will add to our future margins over and above any growth in the customer base.

Our objectives remain unchanged. The profitability and cash generation Just Energy delivered in fiscal 2016 are inherent to the repositioned business model and thus provide management with confidence and freedom to commit to future dividend distributions and balance sheet restructuring.

We strive to deliver outstanding financial results and have made significant progress towards achieving our objective of becoming a premier, world-class provider of energy management solutions. We are encouraged by the stronger profitability in the business and remain confident Just Energy is delivering the appropriate dividend strategy, one that is supported by our continued ability to generate strong cash flows consistently. We foresee continued, sustainable growth that will be driven by an expanded geographical footprint, continued product innovation and bringing new energy management solutions to market that align with customer demands.

CORPORATE INFORMATION

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Investor Relations

905-795-3560
info@justenergy.com

Auditors

Ernst & Young LLP
Toronto, ON Canada

Transfer Agent and Registrar

Computershare Investor Services Inc.
100 University Avenue
Toronto, ON M5J 2Y1

Shares Listed

Toronto Stock Exchange
Trading symbol: JE

New York Stock Exchange
Trading symbol: JE

Annual General Meeting

TSX Broadcast Centre
130 King Street West
Toronto, ON
June 28, 2016, 3:00 p.m. ET

Concept and Design: **THE WORKS DESIGN COMMUNICATIONS worksdesign.com** Executive Photography: **Matthew Plexman**

amigo energy | commerce energy | GreenSTAR energy | Hudson Energy | just energy | just energy SOLAR | Tara Energy | terrapass

Attachment 7
Technical Fitness

Company History

Hudson Energy is a retail marketer of natural gas and electricity service that provides service to mainly commercial customers in the United States and Canada. It was originally formed in 2002. The Company started out serving customers in New York and New Jersey and has since grown to also serve customers in Texas, Illinois, Pennsylvania, Ohio, Massachusetts and four Canadian provinces.

Hudson Energy is a specialist in providing index and fixed price traditional energy and renewable energy products tailored mainly for commercial customers. With over 130,000 customers, Hudson Energy is one of the fastest growing business-to-business suppliers of electric power and natural gas commodity in North America. Large and small business owners look to Hudson Energy for stability and predictability to help them control their energy costs and budget one of their most significant business expenses more effectively.

On May 2010, Just Energy Group Inc. ("Just Energy") indirectly acquired all the issued outstanding shares of Hudson Parent Holdings LLC and Hudson Energy, Corp., collectively "Hudson" and as a result, Just Energy (U.S.) Corp., a Just Energy subsidiary, became Hudson Energy's new parent company. Under the leadership of Just Energy, Hudson Energy remains a strong independent marketer and one of the largest leaders in renewable commodities in North America. Established in 1997, Just Energy is a leading electricity and natural gas retailer, and a competitive retailer of renewable energy credits and carbon offsets in North America serving 1.6 million customers.

Experience

Hudson Energy has been serving customers in various markets for 12 years and offers a wide variety of solutions to its gas customers, including fixed-price and variable-price products on both short-term and longer-term contracts. Some of these products provide customers with price-protection programs for the majority of their requirements.

Hudson Energy purchases gas supply through physical or financial transactions with market counterparties as commercial customer load is contracted. The LDC provides historical customer usage which, when normalized to average weather, enables the company to purchase to expected normal customer load. Furthermore, Hudson Energy mitigates exposure to weather variations through active management of the gas portfolio. The expected cost of this strategy is incorporated into the price to the customer.

Customers

Hudson Energy generally targets and serves customers with annual consumption over 5,000 therms. These sales are made through two main channels: inside commercial sales representatives and sales through a broker channel. Products offered to commercial customers can range from standard fixed offerings to "one off" offerings, which are tailored to meet the customer's specific needs. These products can be either fixed or floating rate or a blend of the two, and normally have terms of less than five years. Please see below the states where Hudson serves Customers in the United States.

State	LDC
IL	COMED
IL	Ameren
IL	NICOR
IL	NSHORE
IL	PEOPL
MA	NGridM
MA	NStar
NJ	ACE
NJ	ETN
NJ	JCPL
NJ	NJNG
NJ	PSEG
NJ	SJG
NY	CHUD
NY	ConEd
NY	KSL (Keyspan Long Island)
NY	KSN (Keyspan Metro North)
NY	NFG
NY	NIMO
NY	NYSEG
NY	O&R
NY	RG&E
OH	CEI
OH	Columbus Southern Power
OH	Dayton Power & Light
OH	Duke Energy Ohio
OH	Columbia Gas
OH	Duke Gas
OH	Dominion Gas
OH	Ohio Power
OH	OHIOED
OH	TOLEDOED
PA	West Penn Power
PA	Duq
PA	Met-Ed
PA	PECO
PA	Penelec
PA	PPL
TX	AEPC
TX	AEPW
TX	CNTP

TX	SESCO
TX	SHL
TX	TNMP
TX	TXUED

Plans & Services

In Pennsylvania, Hudson Energy currently serves electricity customers in the following utility territories:

- Duquesne
- Met-Ed
- Penelec
- West Penn Power
- PPL
- PECO

Hudson intends to serve both natural gas and electricity customers. Hudson plans to utilize utility consolidated billing in a bill ready format through each utility in Pennsylvania or in certain cases, dual billing. Customer account management and billing is performed through a third-party software system that is also used in other markets. Direct billing will be made available to select customers where appropriate given the applicant's business rules and permitted according to regulatory requirements and specific utility practices.

Complaint Handling

Hudson will make every effort to be the first point of contact in dealing with customer inquiries and complaints. As such Hudson currently has a two-tier system which consists of a Customer Service department and a Corporate and Consumer Relations department ("CCR").

The customer service department serves as the first point of contact for all customer related inquiries and complaints. Hudson account managers will respond to all customer service questions, complaints, billing questions, and customer account transfers as well as general customer inquiries in accordance with Commission rules. Hudson is also equipped to record customer calls digitally in order ensure accuracy and compliance.

The Corporate & Consumer Relations department oversees and manages all escalated customer inquiries and complaints ranging from informal or formal complaint filed through regulatory bodies, utilities and/or other third party groups. The CCR department is also committed to regularly reviewing complaint activity in order to identify trends and problem areas, review marketing and training materials on a regular basis, and work with all internal teams at Hudson Energy to ensure adherence to required guidelines and timely resolution of customer inquiries.

Hudson will adhere to Commission regulations and guidelines where applicable when handling complaints filed through their Consumer Services Division.

Key Personnel

High levels of customer satisfaction are achieved through rapid and accurate responses to customer questions that come in via telephone and/or electronic mail. Our customer service representatives are supported by strong training in our product, and the energy market as well as by a robust database system. Additionally, the CCR department is trained and kept up to date concerning local and State regulations and/or guidelines.

PATRICK McCULLOUGH
Chief Executive Officer

Patrick McCullough is currently the Chief Executive Officer of Just Energy Group. Prior to this Mr. McCullough was appointed Chief Financial Officer of Just Energy Group Inc. in August 2014. Prior to this, Mr. McCullough was Chief Executive Officer and Chief Financial Officer of Amonix, a California based designer and manufacturer of concentrated photovoltaic (CPV) solar power systems. Earlier roles include CFO with IMI Severe Service, Division CFO for Johns Manville, a Berkshire Hathaway Company, as well as various roles with Ford Motor Company as Deputy General Manager and CFO of a $1+ billion joint venture in Shanghai China. Mr. McCullough has his MBA and Bachelor's Degree in Science, Mechanical Engineering, both from the University of Notre Dame. He also completed Executive Education, Visteon Leadership Program at the IESE Business School, University of Navarra.

JONAH DAVIDS
Executive Vice President, General Counsel and Corporate Secretary

Jonah Davids is currently the Executive Vice President, General Counsel and Corporate Secretary of Just Energy, marketers of natural gas and electricity to residential and commercial customers in Canada and the United States. Prior to joining Just Energy, Mr. Davids practiced with McMillan LLP in the corporate and natural resources groups. Mr. Davids received his LLB from the University of Western Ontario in 2000 and an LLM in Natural Resources from the University of Dundee, Scotland in 2005. He is admitted to the bar in the Province of Ontario.

Patrick McCullough
Chief Executive Officer

Patrick McCullough was appointed as Chief Executive Officer in April 2018 and Chief Financial Officer of Just Energy Group Inc. in August 2014. Prior to this, Mr. McCullough was Chief Executive Officer at Amonix, a California-based designer and manufacturer of concentrated photovoltaic (CPV) solar power systems. He had served as CFO of Amonix since May 2010.

Prior to that, he was CFO at IMI Severe Service from June 2007, Division CFO for Johns Manville (a Berkshire Hathaway Company) from April 2005, and various roles with Ford Motor Company culminating as Deputy General Manager and CFO of a $1+ billion joint venture in Shanghai, China.

Pat gained a Bachelor of Science in Mechanical Engineering and earned an MBA in International Business, both from University of Notre Dame. He also attended IESE Business School at University of Navarra, where he completed the Visteon Leadership Program.

Phone: 713.933.0895 x78595
Email: pmccullough@justenergy.com

Krishnan Kasiviswanathan
Chief Commercial Officer

Krishnan Kasiviswanathan possesses 19 years of experience in wholesale and retail energy markets with expertise in portfolio management and trading. Prior to Just Energy, he was with NRG Energy in leadership roles including Vice President of Commercial Operations. He started his energy career at Select Energy, the unregulated subsidiary of Northeast Utilities, where he had held several front and middle office positions of increasing responsibilities. He has Master of Science and MBA degrees from University of Connecticut, Storrs.

Mr. Kasiviswanathan has at least four years of experience buying and selling power and energy in wholesale markets and one year of scheduling experience working for an entity that is either a member of PJM, a market participant in the Midwest ISO, or has a system operator certificate from NERC, or has earned Certified Energy Procurement Professional status by the Association of Energy Engineers or equivalent certification.

Phone: 905.670.4440 x78101
Email: Krishnank@justenergy.com

Morgan Parrish Smith

1717 Gardenia Dr. • Houston, TX 77018 • 713-775-1785 (C) • morganpsmith@att.net

DISTINCTIVE QUALIFICATIONS

Accomplished sales leader with deep experience in building the strategy, architecture and high performing teams for sales encompassing all facets of the energy sector. Diverse residential and commercial product experience and expertise for both sales and lead generation programs, with a proven record and progressively growing responsibility over the last twenty years.

Multi-Channel Best Practice:
- Proven leader in developing multi-channel strategies, new and alternative channel creation and optimization, and establishing core best practices across various channel mediums to ensure channel synergies

Sales Leadership:
- Performance driven motivational leader with deep experience in developing and leading multi thousand representative sales forces with widely diverse demographics

Strategy Development:
- Versed in the development of long term sales strategy and the utilization of various channel implementations to utilize both insourced and outsources sales models

EXPERIENCE

JUST ENERGY **2016-Present**

A $4 billion global company providing electricity, gas, and energy-related value added products to 1.6 million customers in North America, UK, Ireland and Japan

Chief Sales and Marketing Officer- Houston, TX.

Reporting to the Chief Executive Officer, my responsibilities include the origination, development and implementation for our global sales and marketing strategy.

NRG ENERGY - RELIANT ENERGY **2008-2016**

A $15 billion Fortune 500 company providing electricity, solar, electric vehicle and energy-related products to three million customers in Texas and the Mid-Atlantic region

Vice President– National Mass Sales & Channel Marketing - Houston, TX.

Reporting to the President of Retail Markets, NRG. Lead sales, channel marketing, and e-commerce organizations in driving new retail customer acquisitions and retention for both residential and small business segments across varying commodity segments. Develop and activate strategic and tactical sales initiatives across a wide array of channels, including online, alternative channel, direct mail, telemarketing, and door to door / retail to deliver customer counts and annualized revenue targets. Create and establish best practices across all channels to ensure an efficient and effective use of spend.

- Responsible for ~1m new customer acquisitions annually across all deregulated markets
- Architect of a "service to sales" transformation within our captive and outsourced inbound call centers, resulting in a 40% lift in sales conversions over twelve-month period
- Renegotiated all outsourced channel contracts to include pay for performance components, resulting in a 15% reduction in third party marketing costs inside telemarketing and premises channels
- Launched an annual "Presidents Club" program from inception to drive high sales performance across the contact center channels in three separate sites
- Successfully negotiated and secured new marketing partnerships with leading Fortune 500 firms to develop joint marketing opportunities
- Developed an alternative channel division tasked with finding new pockets of customers using unconventional forums to acquire and generate leads for solar sales- now representing 20% of our overall acquisition mix
- Developed internal and external inside sales for multi commodity and solar offerings

Harte-Hanks **2008**

Harte-Hanks is a $1B direct marketing services company offering ant array of integrated, multichannel, data-driven solutions for top brands around the globe

Vice President Technology Markets – Houston, TX

Led the company wide effort to support a $65M Microsoft client account that provided custom sales channel, data analytics, offshore sales and service call centers and digital ad promotions.

- Led four RFP engagements that resulted in an additional $10M of net new business and secured a $30M existing renewal business
- Implemented a dashboard reporting methodology to provide key client executives insight into performance across sales channels of all outsourced service centers and partners. Microsoft later deemed the dashboard process "best in class" and rolled it out across their outsourced call center organizations
- Drove the organization towards a single quality improvement engagement for the Microsoft account (COPC) that represented a $1M investment in call center process improvements
- Tasked with all formal monthly and quarterly executive presentations to Microsoft in the domestic US and Manila, Philippines

ChaseCom, L.P. **1997- 2007**

ChaseCom provided global outsourced sales and channel marketing support to Fortune 500 firms in the Energy, Technology and Telecommunications sectors

Senior Vice President- Client Sales Operations – Houston, TX. **2005 - 2007**

Reporting to the Chief Executive Officer, I led the sales, client relationship management, sales operations and business development teams supporting our energy, telecommunications and consulting clientele. Developed our strategy and implementation for our offshore sales strategy in India, Latin America, South America and the Philippines. Created our business development strategy to capitalize on ChaseCom's MBE status and refined our go to market strategy in working with Fortune 500 firms.

- Initiated and implemented from inception three joint ventures to provide sales outsourcing and customer service support across Asia and South America.
- Architect of ChaseCom's project management office, responsible for managing contract compliance for all sales and key performance indicators from various client contracts
- Negotiated $200m of lifetime contract value sales outsourcing engagements for both renewal and new business acquisition with AT&T
- Provided revenue growth through organic business development and performance management initiatives that resulted in 25% year over year growth

Vice President- Sales Channels – Houston, TX. **1999 - 2007**

- Responsible for leadership, P&L, sales effectiveness and client management of our global sales and service centers servicing the telecom and energy sectors. My responsibility included the performance management of over 1,000 outsourced sales and service agents across three countries.

- Developed the go to marketing strategy for energy alternative channel and inside sales for Reliant Energy, growing from 10 to 250 inside and outside sales representatives in under 18 months
- Designed and launched from inception a sales account management program for a small business services unit for AT&T, responsible for the management of over $250m in client revenue
- Launched an inside sales channel responsible for covering the state of California for AT&T in the SMB segment. Named supplier of the year four years running under my leadership
- Developed a business process outsourcing support center servicing premise based sales centers selling into the telecom space for AT&T. Designed scalable processes and technology platforms to support multiple vendors across the AT&T foot print. Capable of supporting 2,000 simultaneous sales agents across the SBC footprint

West Teleservices

West, a $1.5B contact center organization, employs over 28,000 people across contact centers across Asia, Europe, and North servicing the Fortune 500 in sales and service contact centers

Vice President, Client Services – San Antonio, TX. **1998 – 1999**

Accountable for the client relationship management, service delivery, project management, contract compliance, and revenue growth for twenty one fortune 1000 clients representing $250m in annualized revenue, utilizing a department staff of client service and account managers

- Architect of our project management office, designed to measure and improve contact compliance across key performance metrics and service level commitments
- Successful in growing $30m of incremental revenue through new service offerings to existing clientele
- Implemented numerous non-commodity service offerings on behalf of various telecom and software clients, resulting in the development of a new division inside West.

Director of Sales Operations – San Antonio, TX **1997 – 1998**

Specializing in the telecom and high tech sectors, I held P&L responsibility for a $50m revenue sales and service call center segment represented by 700 seats across multiple facilities in the US and the Caribbean

- Developed and promoted strategic analysis for call center geographic expansion and enterprise re-alignment of sales support resources to enhance the client performance returns and improve client satisfaction
- Delivered cost improvements through process and efficiency enhancements that reduced operating budget by 15% over 2 years.
- Bolstered non commodity client sales conversion rate by 20%+ through process improvement changes

Aegis

Aegis is a leader in business process outsourcing and sales and service call centers, specializing in customer management solutions that span all customer lifecycle interactions

Sales Performance Manager – Dallas, TX. **1995 – 1997**

Served as regional manager of call center performance improvement, assigned to assist various client engagements where sales and service expectations were out of contractual compliance

West Teleservices

West, a $1.5B contact center organization, employs over 28,000 people across, contact centers across Asia, Europe, and North servicing the Fortune 500 in sales and service contact centers

Branch Manager – San Antonio, TX. **1992 - 1995**

P&L and performance management of an inside sales center providing sales channel support for the financial services, telecom and software support segments. My center provided multi-lingual marketing support to residential customers for clients across the United States.

EDUCATION - CERTIFICATIONS

University of Texas – San Antonio, Texas	Communications
Rice University- Houston, Texas	Executive certificate, Leadership
Rice University- Houston, Texas	Executive certificate, Finance

VERIFICATION

I, Kristina Montgomery, Manager, Regulatory Affairs and Government Relations, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Kristina Montgomery

Dated: May 11, 2018