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January 13, 2015

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 E. Broad St., 11th Floor  
Columbus, OH 43215-3793

Re: Case No. 02-1828-GA-CRS  
Commerce Energy, Inc. dba Just Energy  
Amended Exhibit B-4

Dear Ms. McNeal:

On December 12, 2014, I filed a Renewal Application on behalf of Commerce Energy, Inc. dba Just Energy in the above case. Please find attached a copy of Amended Exhibit B-4 which is an update and supersedes the version of Exhibit B-4 that was filed with the December 12, 2014 Renewal Application.

Thank you in advance for your consideration.

Sincerely yours,

Stephen M. Howard  
Attorneys for Commerce Energy, Inc. dba Just  
Energy

SMH/jaw  
Enclosure

**AMENDED EXHIBIT B-4**  
**DISCLOSURE OF LIABILITIES AND INVESTIGATIONS**

Commerce Energy, Inc. does not believe there are any matters that could adversely impact its financial or operational status or its ability to provide services to customers. But, in the interest of full disclosure the following are particulars of penalties, fines, and voluntary payments for the applicant, its parent company and U.S. and Canadian affiliates or predecessors resulting from proceedings by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum.

**Issues involving Commerce Energy, Inc. (Applicant):**

Commerce Energy, Inc. dba Just Energy – Public Utility Commission of Ohio Case No. 02-1828-GA-CRS

In April 2010, Just Energy received a letter from the PUCO staff indicating that 25 informal complaints had been reported against Just Energy for the first quarter of 2010. PUCO staff recommended that Just Energy take corrective action. PUCO staff, the Ohio Consumers Counsel, and Just Energy, entered into a Joint Stipulation and Recommendation ("Stipulation"). Just Energy was required to, among other things, provide all customers who have signed up between April and September 2010 with the opportunity to leave or alter their contract without fees. Also, as part of the settlement, Just Energy agreed to retrain all sales agents and maintain informal complaint levels below a specified threshold through December 2011. Just Energy fulfilled all obligations of the settlement agreement. This matter has been closed with no finding of wrongdoing by the PUCO.

Case No. 1:12-CV-00758: Davina Hurt, et al. v. Commerce Energy, Inc. et al.; in the United States District Court for the Northern District of Ohio, Eastern Division. - Certified class action filed by former sales representatives claiming violations of federal and state minimum wage and overtime statutes for failure to pay. Trial on liability took place from September 29 to October 6, 2014. Jury found defendants failed to satisfy burden of demonstrating that plaintiffs qualified as outside salespeople. Defendants filed post-trial motions to disregard jury findings and sought permission to file interlocutory appeal on liability. These motions remain pending. Trial on damages is not yet scheduled.

**Issues involving U.S. affiliates of Commerce Energy, Inc.:**

Just Energy Group - Massachusetts Attorney General's Office

On December 31, 2014 Just Energy Group entered into a settlement agreement with the Massachusetts Attorney General to resolve allegations resulting from an investigation for actions beginning in 2011. The Attorney General alleges that Just Energy has engaged in policies and practices in violation of G.L. c. 93A and G.L. c. 164, § 1F in the course of marketing retail electricity supply to residents and Small Businesses. While not agreeing with the allegations, new management has elected to settle the allegations in an effort to move the company forward. As part of the agreement, Just Energy Group has agreed to pay a \$125,000 penalty, \$3.8 Million in restitution, and \$75,000 for costs. Just Energy Group has also agreed to make operational changes and improvements to the sales and marketing process. The Attorney General's Office will use an independent monitor to oversee these changes.

Illinois Energy Savings Corp. ("IESC") - Illinois Attorney General (ILAG)

In February 2008, the ILAG filed a complaint (No. 08, CH 04916) against IESC in the Circuit Court of Cook County, related to allegations of deceptive sales tactics and promised savings. In May 2009, the ILAG and IESC agreed to a stipulated final judgment and consent decree. Although IESC denied the allegations in the suit, it agreed to, among other things, reimburse certain eligible customers, allow such customers to cancel without termination fees, update marketing materials, change processes around early termination, and adhere to a number of other enrollment requirements that were applied to all gas suppliers through changes to Illinois law. There was no finding of wrongdoing with respect to this complaint.

#### Illinois Energy Savings Corp. ("IESC")-Illinois Commerce Commission

In March 2008, in ICC Docket No. 08-0175, the Citizens Utility Board ("CUB") and other parties filed a complaint against IESC alleging violations of Article XIX of the Illinois Public Utilities Act and other laws and administrative code. In April 2010, the Illinois Commerce Commission issued its Final Order in Docket No. 08-0175, which found eight individual violations of subsection 19-115(c) of the Illinois Public Utilities Act for failing to obtain verifiable authorization of a switch, a single violation of subsection 19-115(f) for inaccurate price disclosures in marketing materials, and a single violation of the Standards of Conduct in gas utility tariffs. There was no finding of a violation of the Consumer Fraud and Deceptive Business Practices Act. IESC was ordered to pay a fine of \$90,000, undergo an audit to review the practices that led to the findings in Docket No. 08-0175. The audit commenced in April 2011 and concluded January 2012 under Docket No. 10-0398. Just Energy filed its response agreeing to adopt all audit recommendations and implemented all audit recommendations before November 1, 2012. There are no further issues related to this matter.

#### Universal Energy Corporation ("UEC") - Michigan Public Utilities Commission (MPUC)

(This matter occurred prior to Just Energy Group Inc.'s acquisition of UEC) In February 2008, Commission Order No. U-15509 directed a formal investigation into the marketing and customer service practices of Universal Gas and Electric Corporation (UGE) (which is an affiliate of UEC). UEC was acquired by Just Energy along with UEC in 2009. The primary catalyst for this investigation was the number of informal complaints received by the Commission relating to the marketing practices of UGE. The bulk of the allegations in the informal complaints were that independent contractors were not fully describing the product offering. The Commission and UGE reached a settlement. Universal also agreed to file a quarterly report, for a period of two years (ending February 2010), with the MPUC outlining the number of customer complaints, types of concerns, and resolutions.

#### Hudson Energy Services, LLC ("Hudson Energy") - New Jersey Board of Public Utilities ("BPU")

(This matter occurred prior to Just Energy Group Inc.'s acquisition of Hudson Energy.) This matter involved BPU staff allegations of billing errors on the part of Hudson Energy in New Jersey, which caused approximately 2,000 of its customers to be overcharged seven percent for energy services supplied by Hudson Energy from December 2008 through August 2009. Hudson Energy submitted an Offer of Settlement, which included credits and refunds totaling \$86,853.00 as well as other minor compliance remedies. The Board found that the Offer of Settlement resolved the outstanding allegations and closed the matter.

#### Fulcrum Retail Energy LLC dba Amigo Energy – Public Utility Commission of Texas

(This matter occurred prior to Just Energy's acquisition of Amigo Energy in October 2011) In 2009, PUCT Staff issued a Request For Information to Amigo Energy after customers experienced billing issues. It was found that during a mass transfer of customers from Retail Electric Provider National Power to Amigo Energy, a billing system field was left unpopulated in Amigo Energy's system. The Commission found that Amigo sought in good faith to conform to the Consumer Protection Rules and worked aggressively to resolve related billing system issues and manage the impact on customers. PUCT Staff

and Amigo Energy entered into a settlement agreement in which Amigo Energy agreed to pay an administrative penalty of \$15,000.

Just Energy Texas LP ("Just Energy") - Public Utility Commission of Texas

On March 26, 2010, PUCT Staff conducted a routine audit of Just Energy's general compliance with the Chapter 25, Subchapter R, of the Electric Customer Protection Rules. Staff alleged minor deficiencies with, among other things, enrollment procedures, contract terms and conditions, disconnection and deposit notices and bill formats. Both parties entered into a settlement agreement to resolve the alleged issues, which included an administrative penalty of \$17,250. There was no finding of violation or any wrongdoing by Just Energy as a result of this compliance audit. PUCT Staff conducted similar audits of all Retail Electric Providers in the State of Texas to measure compliance with changes to the Electric Customer Protection Rules that went into effect in August 2009.

Tara Energy LLC. – Public Utility Commission of Texas

(This matter occurred prior to Just Energy's acquisition of Tara Energy in October 2011). In April 2010, PUCT Staff conducted a routine audit of Tara Energy's general compliance with the Public Utility Regulatory Act (PURA) and Chapter 25, Subchapter R, of the Electric Customer Protection Rules. PUCT Staff alleged several areas of non-compliance with consumer protections including correct language used in contracts, website disclosures, average rate calculations, etc. These alleged violations were not deemed "significant" and Tara Energy corrected the issues prior to settlement. In the settlement, Tara Energy agreed to pay an administrative penalty of \$13,000. PUCT Staff conducted similar audits of all Retail Electric Providers in the State of Texas to measure compliance with changes to the Electric Customer Protection Rules that went into effect in August 2009.

Fulcrum Retail Energy LLC dba Amigo Energy- Public Utility Commission of Texas

(This matter occurred prior to Just Energy's acquisition of Amigo Energy in October 2011) On September 24, 2010, PUCT Staff conducted a routine audit of Amigo Energy's general compliance with the Public Utility Regulatory Act (PURA) and Chapter 25, Subchapter R, of the Electric Customer Protection Rules. The audit concluded that Amigo Energy was not in compliance with several provisions of the Commission's customer protection rules mainly related to the customer internet enrollment process. The alleged violations were not considered "significant" by the PUCT Staff, and Amigo Energy corrected all of the issues prior to settlement. In the settlement between PUCT Staff and Amigo Energy, Amigo Energy agreed to pay an administrative penalty of \$13,000. PUCT Staff conducted similar audits of all Retail Electric Providers in the State of Texas to measure compliance with changes to the Electric Customer Protection Rules that went into effect in August 2009.

Just Energy Texas LP ("Just Energy") - Public Utility Commission of Texas ("PUCT")

On May 16, 2014, the PUCT approved a settlement between Just Energy and PUCT staff. Prior the settlement, PUCT staff alleged several areas of non-compliance with enrollment and verification processes, complaint handling, customer switching, billing and disconnection. The allegations were based on a complaint-based audit of approximately 25 informal complaints that were partially a result of a major transition to a new billing system platform for all Just Energy customers in Texas. In the settlement, Just Energy agreed to pay an administrative penalty of \$164,000.

**Issues Associated with Canadian Affiliates of Commerce Energy, Inc.:**

#### Universal Energy Corporation ("UEC") - British Columbia Utilities Commission

(This matter occurred prior to Just Energy Group Inc.'s acquisition of UEC) In March 2008, per Commission Order No. G-47-08, UEC was found in violation of Articles 14 & 29 of the Commission's Code of Conduct. The incident in question involved an allegation that an independent agent representing UEC was engaging in non-compliant marketing practices. UEC was ordered to pay a penalty of \$7,000, re-train and certify all agents in British Columbia within 14 days of the Order, and train all new agents in accordance with the Order.

#### Universal Energy Corporation ("UEC") - Ontario Energy Board, OEB – EB – 2009-0005

(This matter occurred prior to Just Energy Group Inc.'s acquisition of UEC) On January 20, 2009; pursuant to section 112.7 of OEB Act, 1998 and as part of the OEB reaffirmation audit, it was determined that misleading statements were used during reaffirmations completed within the time frame of March 2007 to June 2008. For a period of 18 months Universal committed to report on any disciplinary action taken as a result of its quality assurance audits of all positive reaffirmation calls. UEC was fined \$127,500.

#### Universal Energy Corporation ("UEC")- Ontario Energy Board, EB – 2009-0118

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

#### Just Energy Ontario L.P. ("Just Energy") – Ontario Energy Board ), EB 2011-0312

Following the enactment of the Energy Consumer Protection Act 2010, the Ontario Energy Board ("Board") initiated a series of compliance inspections of all electricity and natural gas retailers in Ontario. The Board found minor deficiencies in Just Energy's marketer id badges, contract renewal form content, price comparison documents, and calls related to renewals. Just Energy entered into an Assurance of Voluntary Compliance on September 10, 2011 and paid a \$40,000 administrative penalty. This matter has been closed.

#### Hudson Energy Canada Corp. ("Hudson Energy") – Ontario Energy Board EB 2012-0281

Following the enactment of the Energy Consumer Protection Act 2010, the Ontario Energy Board ("Board") initiated a series of compliance inspections of all electricity and natural gas retailers in Ontario. The Board found minor deficiencies in Hudson Energy's retention of training records, use of Price Comparison forms, and telephone verification of contracts. Hudson Energy received an Order for Compliance and the payment of an Administrative Penalty from the Board on July 31st, 2012 and paid an \$11,000 administrative penalty. This matter has been closed.

#### Just Energy Ontario L.P. ("Just Energy") - Ontario Energy Board, EB-2013-0392 | EB-2013-0393

In April 2014, Just Energy agreed to pay \$450,000 under an Assurance of Voluntary Compliance ("AVC") accepted by the Ontario Energy Board. During a review, it was discovered that there was a system calculating error that resulted in inaccuracies in approximately 1% of letters delivered to customers between January 2011 and October 2012 in Ontario. Just Energy voluntarily agreed to pay a penalty to the OEB for this inadvertent system error that occurred during a system upgrade. Customers directly affected have been contacted and reimbursed as necessary.

#### National Energy Corporation dba National Home Services ("NHS") - Canadian Competition Bureau

NHS, is a provider of home services including heating, ventilation and air-conditioning. NHS is a former subsidiary of Just Energy Group Inc. ("Just Energy"). This subsidiary was recently sold to Reliance Comfort Limited Partnership ("Reliance"). As a condition to closing, approval to the transaction was required from the Canadian Competition Bureau. Just Energy and NHS determined that it was in the best interest of all parties involved in the transaction to settle an abuse of dominance proceeding brought by the Canadian Competition Bureau prior to the closing of the transaction. As a result, NHS and Just Energy signed a consent agreement to pay an administrative penalty of \$5 million, restitution of \$1.5 million, and Bureau legal costs of \$500,000 as well as implement various compliance measures. The closing of the sale took place on November 24, 2014.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**1/13/2015 11:35:45 AM**

**in**

**Case No(s). 02-1828-GA-CRS**

Summary: Correspondence Correspondence regarding Amended Exhibit B-4 to the December 12, 2014 Renewal Application electronically filed by Mr. Stephen M Howard on behalf of Commerce Energy, Inc. d/b/a Just Energy