

Court File No. CV-21-00658423-00CL

Just Energy Group Inc. et al.

**ELEVENTH REPORT OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS COURT-APPOINTED MONITOR**

August 13, 2022



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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF JUST ENERGY GROUP INC., JUST ENERGY CORP., ONTARIO ENERGY COMMODITIES INC., UNIVERSAL ENERGY CORPORATION, JUST ENERGY FINANCE CANADA ULC, HUDSON ENERGY CANADA CORP., JUST MANAGEMENT CORP., 11929747 CANADA INC., 12175592 CANADA INC., JE SERVICES HOLDCO I INC., JE SERVICES HOLDCO II INC., 8704104 CANADA INC., JUST ENERGY ADVANCED SOLUTIONS CORP., 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, LLC, JUST ENERGY PENNSYLVANIA CORP., JUST ENERGY MICHIGAN CORP., JUST ENERGY SOLUTIONS INC., HUDSON ENERGY SERVICES LLC, HUDSON ENERGY CORP., INTERACTIVE ENERGY GROUP LLC, HUDSON PARENT HOLDINGS LLC, DRAG MARKETING LLC, JUST ENERGY ADVANCED SOLUTIONS LLC, FULCRUM RETAIL ENERGY LLC, FULCRUM RETAIL HOLDINGS LLC, TARA ENERGY, LLC, JUST ENERGY MARKETING CORP., JUST ENERGY CONNECTICUT CORP., JUST ENERGY LIMITED, JUST SOLAR HOLDINGS CORP. AND JUST ENERGY (FINANCE) HUNGARY ZRT.

(each, an “**Applicant**”, and collectively, the “**Applicants**”)

ELEVENTH REPORT OF THE MONITOR

INTRODUCTION

1. Pursuant to an Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 9, 2021 (the “**Filing Date**”), Just Energy Group Inc. (“**Just Energy**”) and certain of its affiliates (collectively, the “**Applicants**”) were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended (the “**CCAA**” and in reference to the proceedings, the “**CCAA Proceedings**”).
2. Pursuant to the Initial Order, among other things, (i) a stay of proceedings (the “**Stay of Proceedings**”) was granted until March 19, 2021 (the “**Stay Period**”); (ii) the



protections of the Initial Order, including the Stay of Proceedings, were extended to certain subsidiaries of Just Energy that are partnerships (collectively with the Applicants, the “**Just Energy Entities**”); (iii) FTI Consulting Canada Inc. was appointed as Monitor of the Just Energy Entities (in such capacity, the “**Monitor**”); and (iv) the Court approved a debtor-in-possession interim financing facility in the maximum principal amount of US\$125 million subject to the terms and conditions set forth in the financing term sheet (the “**DIP Term Sheet**”) between the Just Energy Entities and Alter Domus (US) LLC, as administrative agent for the lenders (the “**DIP Lenders**”) dated March 9, 2021.

3. The Initial Order was amended and restated on March 19, 2021 and May 26, 2021 (the “**Second A&R Initial Order**”).
4. On March 9, 2021, Just Energy, in its capacity as foreign representative (in such capacity, the “**Foreign Representative**”), commenced proceedings under Chapter 15 of the United States Bankruptcy Code (the “**Chapter 15 Proceedings**”) for each of the Just Energy Entities with the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Court**”). The U.S. Court entered, among others, the *Order Granting Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code*. On April 2, 2021, the U.S. Court granted the *Order Granting Petition for (I) Recognition as Foreign Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief under Chapter 15 of the Bankruptcy Code* (the “**Final Recognition Order**”). The Final Recognition Order, among other things, gave full force and effect to the Initial Order in the United States, as may be further amended by the Court from time to time.
5. On September 15, 2021, the Court granted the Claims Procedure Order (the “**Claims Procedure Order**”) that approved the claims process for the identification, quantification, and resolution of Claims (as defined in the Claims Procedure Order) as against the Just Energy Entities and their respective directors and officers (the “**Claims Procedure**”).
6. By order dated February 9, 2022, the Court denied, with reasons to follow, certain relief requested by Canadian counsel to U.S. counsel to Fira Donin and Inna Golovan in their



capacity as proposed representative plaintiffs in *Donin et al. v. Just Energy Group Inc. et al.* (the “**Donin Action**”), and Trevor Jordet in his capacity as proposed representative plaintiff in *Jordet v. Just Energy Solutions Inc.* (the “**Jordet Action**” and together with the Donin Action, the “**Donin/Jordet Actions**”). The Court’s reasons for the dismissal are set out in the written reasons of Justice McEwen dated February 23, 2022 (the “**McEwen Endorsement**”), which is available on the Monitor’s Website (as defined below). Canadian counsel to U.S. counsel for the Donin/Jordet Actions filed a Notice of Motion for Leave to Appeal the McEwen Endorsement to the Court of Appeal for Ontario on February 24, 2022 (the “**Motion for Leave to Appeal**”). The Just Energy Entities filed their response to the Motion for Leave to Appeal on April 29, 2022. On June 28, 2022, the Court of Appeal for Ontario dismissed the Motion for Leave to Appeal, with costs payable to Just Energy and the DIP Lenders.

7. On March 3, 2022, the Court granted an Order extending the Stay Period until March 25, 2022 and appointing the Honourable Justice Dennis O’Connor as Claims Officer (the “**Claims Officer**”) with respect to the adjudication of the Donin/Jordet Actions (the “**Appointment Order**”).
8. On May 5, 2022, the Court granted an Order authorizing the Foreign Representative to pursue claims under section 36.1 of the CCAA in the U.S. Court subject to the supervision of the Monitor.
9. On June 7, 2022, the Just Energy Entities brought a motion before the Court seeking a Meetings Order (the “**Meetings Order Motion**”) to accept the filing of the Just Energy Entities’ Plan of Compromise and Arrangement dated May 26, 2022 (the “**Plan**”), along with authorizing the Just Energy Entities to call and conduct a meeting of certain of their creditors to consider and vote on resolutions to approve the Plan.
10. The Meetings Order Motion was opposed by Pariveda Solutions Inc. (“**Pariveda**”) and the following contingent litigation creditors (collectively, the “**Contingent Litigation Claimants**”): (i) counsel to the proposed representative plaintiffs in the Donin/Jordet Actions (“**Putative Class Action Counsel**”); (ii) the representative plaintiff on behalf of a certified class in *Haidar Omarali v. Just Energy Group et al.*, Court File No. CV-



15-52748300CP (“**Omarali Class Action**”); and (iii) 250 alleged claimants pursuing claims for alleged loss of business, personal injury and/or property damage arising out of the winter storms in Texas in February 2021.

11. During the hearing on June 7, 2022, the Just Energy Entities also requested the Stay Period be extended to August 19, 2022. In an Order dated June 7, 2022, the Court extended the Stay Period to such date.
12. On June 10, 2022, the Court released an Endorsement (the “**First Endorsement**”), with further reasons to follow, which granted the majority of relief sought by the Just Energy Entities; however, the Court denied the Just Energy Entities’ request that each of the Claims held by the Contingent Litigation Claimants be valued at \$1 for voting purposes. Further, in the First Endorsement, the Court directed that a summary process be undertaken by the Just Energy Entities on an expedited basis to determine the validity and value of the claims held by the Contingent Litigation Claimants and Pariveda. In the First Endorsement, the Court directed the Monitor to liaise with the relevant parties to determine a process to conduct the claim determinations and valuations.
13. On June 21, 2022, the Court released its second endorsement (the “**Second Endorsement**”), which provided the reasons for the Orders and directions provided in the First Endorsement.
14. On June 23, 2022 and further to the First Endorsement, the Court released its third endorsement (the “**Third Endorsement**”) specifically addressing requested additional written submissions regarding the proposed differential compensation provided for in the Plan. The Court concluded that the appropriateness of the terms of the proposed differential compensation ought to be dealt with at the Sanction Hearing.
15. On July 4, 2022, both the representative plaintiff in the Omarali Class Action and U.S. Counsel to the claimants in the Donin/Jordet Actions filed Notices of Motion for Leave to Appeal the First Endorsement.
16. As a result of the First Endorsement, and specifically the requirement to undertake a valuation process of the Claims held by the Contingent Litigation Claimants in advance



of the proposed meetings of creditors to vote on the Plan, the Plan Sponsor withdrew its support of the Plan. Although the Just Energy Entities, in consultation with the Monitor, engaged in discussions with certain of the Contingent Litigation Claimants and Pariveda with a view to preserving the Plan, no resolution was reached.

17. The Just Energy Entities, in consultation with the Monitor, have engaged in extensive discussions with the Sponsor/DIP Lenders, Supporting Secured CF Lenders and Shell (each as defined in the SISP Support Agreement, as defined below), to discuss the terms upon which such parties would be willing to support the pursuit of a going concern solution for the Just Energy Entities. These discussions have culminated in the SISP, SISP Support Agreement and Stalking Horse Transaction Agreement, each as defined below.
18. On August 4, 2022, the Just Energy Entities served their motion for approval of the SISP, the SISP Support Agreement, and certain other relief including extension of the Stay Period to October 31, 2022 (the “**SISP Motion**”).
19. All references to monetary amounts in this Eleventh Report of the Monitor (the “**Eleventh Report**”) are in Canadian dollars unless otherwise noted.
20. Further information regarding the CCAA Proceedings, including all materials publicly filed in connection with these proceedings, is available on the Monitor’s website at <http://cfcanada.fticonsulting.com/justenergy/> (the “**Monitor’s Website**”).
21. Further information regarding the Chapter 15 Proceedings, including the Final Recognition Order and all other materials publicly filed in connection with the Chapter 15 Proceedings, is available on the website of Omni Agent Solutions as the U.S. noticing agent of the Just Energy Entities at <https://omniagentsolutions.com/justenergy>.

PURPOSE

22. The purpose of this Eleventh Report is to provide information to the Court with respect to the following:



- (a) the Monitor’s activities since the Monitor’s Tenth Report to the Court dated May 18, 2022 (the “**Tenth Report**”);
- (b) the relief sought by the Applicants in their proposed Order (the “**SISP Approval Order**”), including, among other things:
 - (i) authorizing and empowering Just Energy to enter into the definitive purchase agreement (the “**Stalking Horse Transaction Agreement**”) dated as of August 4, 2022, between Just Energy and LVS III SPE XV LP, TOCU XVII LLC, HVS XVII LLC, OC II LVS XIV LP, OC III LFE I LP and CBHT Energy I LLC¹ (collectively, the “**Sponsor**” and the transactions detailed therein, the “**Stalking Horse Transaction**”), *nunc pro tunc*, and such minor amendments as may be acceptable to each of the parties thereto, with the approval of the Monitor and subject to the terms of the SISP Support Agreement (as defined below);
 - (ii) approving the Break-Up Fee (as defined below) and authorizing the Just Energy Entities to pay the Break-Up Fee to the Sponsor (or as it may direct) in the circumstances and manner described in the Stalking Horse Transaction Agreement and granting a Court-ordered charge (the “**Bid Protections Charge**”) in favour of the Sponsor as security for payment of the Break-Up Fee;
 - (iii) approving the Support Agreement, dated August 4, 2022 among the Just Energy Entities, the Sponsor, Shell, and the Supporting Secured CF Lenders (the “**SISP Support Agreement**”), subject to such minor amendments as may be consented to by the Monitor and as may be acceptable to each of the parties thereto, and authorizing, empowering and directing the Just Energy Entities to enter into the SISP Support Agreement, *nunc pro tunc*, and to take all steps and actions in respect thereof;

¹ The Sponsor is comprised of (i) the investment funds that are DIP Lenders and together with a related limited partner, the holders of substantially all of the Term Loan Claim, and (ii) CBHT Energy I LLC, as the holder of the BP Commodity/ISO Services Claim.



- (iv) approving the Sale and Investment Solicitation Process (the “**SISP**”), a copy of which is attached hereto as **Appendix “A”**, and authorizing the Just Energy Entities to implement the SISP pursuant to the terms thereof;
 - (v) approving a third key employee retention plan (the “**Third KERP**”) in the maximum aggregate amount of approximately CAD\$0.4 million and US\$0.6 million for key non-executive employees of the Just Energy Entities considered critical to the continued operation and stability of the Just Energy Entities as a going concern, and to the Just Energy Entities’ efforts to restructure for the benefit of all stakeholders;
 - (vi) extending the Stay Period to October 31, 2022;
 - (vii) approving the Tenth Report, the Supplement to the Tenth Report dated June 1, 2022, and the Eleventh Report, along with the activities, conduct and decisions of the Monitor described therein; and
 - (viii) sealing the unredacted copy of the SISP Support Agreement and summary of the Third KERP, each attached as confidential exhibits to the Affidavit of Michael Carter sworn August 4, 2022 (the “**Carter Affidavit**”);
- (c) the advice and direction sought by the Just Energy Entities to suspend the ongoing claims review, determination and dispute resolution process under the Claims Procedure Order, Appointment Order, First Endorsement, and Second Endorsement pending further order of the Court, unless the adjudication of such Claims is necessary for determining entitlement to proceeds to be distributed in accordance with the Stalking Horse Transaction or another transaction entered into pursuant to the SISP;
 - (d) an update on the Claims Procedure and the resolution of Claims pursuant to the Claims Procedure Order;
 - (e) the Just Energy Entities’ actual cash receipts and disbursements for the 13-week period ended August 6, 2022, a comparison to the cash flow forecast attached

as Appendix “B” to the Monitor’s Tenth Report, along with an updated cash flow forecast for the 13-week period ending November 5, 2022; and

- (f) the Monitor’s recommendations in respect of the foregoing, as applicable.

TERMS OF REFERENCE AND DISCLAIMER

- 23. In preparing this Eleventh Report, the Monitor has relied upon audited and unaudited financial information of the Just Energy Entities, the Just Energy Entities’ books and records, and discussions and correspondence with, among others, management of and advisors to the Just Energy Entities as well as other stakeholders and their advisors (collectively, the “**Information**”).
- 24. Except as otherwise described in this Eleventh Report:
 - (a) the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Eleventh Report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.
- 25. The Monitor has prepared this Eleventh Report to provide information to the Court in connection with the relief requested by the Applicants. This Eleventh Report should not be relied on for any other purpose.

MONITOR’S ACTIVITIES SINCE THE TENTH REPORT

- 26. In accordance with its duties as outlined in the Initial Order, the Claims Procedure Order and its prescribed rights and obligations under the CCAA, the activities of the Monitor since the Tenth Report have included the following:
 - (a) assisting the Just Energy Entities with communications to employees, creditors, vendors, and other stakeholders;



- (b) participating in regular and frequent discussions with the Just Energy Entities, their respective legal counsel and other advisors regarding, among other things, the CCAA Proceedings, the Just Energy Entities' restructuring initiatives including with respect to negotiations surrounding the Plan and SISP, and the Claims Procedure;
- (c) participating in regular discussions with the DIP Lenders and other key stakeholders, and their respective legal counsel and other advisors regarding, among other things, the Just Energy Entities' restructuring initiatives, the Plan and SISP;
- (d) in consultation with the Just Energy Entities, administering the Claims Procedure, subject to the proposed abeyance thereto described in this Eleventh Report;
- (e) monitoring the cash receipts and disbursements of the Just Energy Entities;
- (f) working with the Just Energy Entities, their advisors, and the Monitor's counsel, as applicable, to, among other things:
 - (i) provide stakeholders with financial and other information as appropriate in the circumstances;
 - (ii) assist the Just Energy Entities in negotiating the Stalking Horse Transaction Agreement, the SISP Support Agreement and the SISP; and
 - (iii) ensure compliance with the requirements of regulators in applicable jurisdictions;
- (g) attending meetings of the Board of Directors of Just Energy, and various committees thereof;
- (h) responding to stakeholder inquiries regarding the Claims Procedure and the CCAA Proceedings generally;
- (i) observing the developments and steps taken by the parties with respect to the adjudication of the Claim filed by NextEra Energy Marketing, LLC ("NextEra"), a portion of which is disputed by the Just Energy Entities, and providing assistance to the Claims Officer where requested;



- (j) participating in discussions between the Just Energy Entities and Putative Class Action Counsel with respect to participation in the SISP and related matters;
- (k) posting monthly reports on the value of the Priority Commodity/ISO Obligations to the Monitor's Website in accordance with the terms of the Second A&R Initial Order;
- (l) maintaining the service list for the CCAA Proceedings (the "**Service List**") with the assistance of counsel for the Monitor, a copy of which is posted on the Monitor's Website; and
- (m) preparing this Eleventh Report.

THE PROPOSED SISP AND STALKING HORSE AGREEMENT

Background and the SISP Support Agreement

27. Amidst the uncertainty following the Plan Sponsor/DIP Lenders' withdrawal of support for the Plan and subsequent termination of the Plan Support Agreement, the Just Energy Entities engaged in extensive discussions with the key stakeholders that were party to the Plan Support Agreement to preserve a going concern restructuring resolution. The Monitor has participated in and been kept apprised of such discussions that culminated in the SISP Support Agreement. The Monitor has also provided input on the development of the SISP.
28. The Monitor has reviewed the terms of the SISP Support Agreement. The Monitor notes that many of the critical provisions of the Plan Support Agreement that the Monitor previously supported and that contributed to the Court's approval of the Plan Support Agreement have carried over into the SISP Support Agreement. Such critical provisions include the Supporting Secured CF Lenders' agreement to participate in a New Credit Facility and Shell's agreement to continue as a commodity supplier.
29. One difference between the SISP Support Agreement and the Plan Support Agreement is the elimination of the restriction under the Plan Support Agreement with respect to the ability of the Just Energy Entities or BMO Nesbitt Burns Inc., as financial advisor to the Just Energy Entities (the "**Financial Advisor**") to actively solicit offers for the



business in the marketplace. The Just Energy Entities and the Financial Advisor are permitted to solicit offers and run the SISP, with the assistance and under the supervision of the Monitor.

30. The SISP Support Agreement provides critical support for the ongoing operations of the Just Energy Entities. The stability afforded by the SISP Support Agreement is crucial if the proposed SISP (as detailed below) is to produce the highest and best bid for the benefit of all stakeholders. The Monitor accordingly supports approval of the SISP Support Agreement in the circumstances.

The Proposed SISP

31. Capitalized terms used in this section of the Eleventh Report and not otherwise defined have the meanings given to them in the SISP or the Plan, as applicable.
32. The key provisions of the SISP are as follows:
 - (a) the Just Energy Entities will conduct the SISP under the supervision of the Monitor and with the assistance of the Financial Advisor;
 - (b) any interested party that executes a non-disclosure agreement will be permitted to access a data-room in order to conduct due diligence;
 - (c) solicitation for potential bidders commenced on August 4, 2022;
 - (d) interested parties will be asked to submit a notice of intent to bid (a “NOI”) no later than August 25, 2022;
 - (e) Qualified Bids will be determined by the Just Energy Entities in consultation with the Monitor. Qualified Bids must meet the terms and provisions of the SISP. The Stalking Horse Transaction described below shall be deemed to be a Qualified Bid;
 - (f) the Just Energy Entities shall provide information in respect of the SISP on a confidential basis to the DIP Lenders, the holder of the BP Commodity/ISO Services Claim and the Supporting CF Lenders, including copies of any NOIs and Qualified Bids;



- (g) the Just Energy Entities shall be permitted, in their discretion, to provide general updates and information in respect of the SISP to counsel to any unsecured creditor of the Just Energy Entities on a confidential basis provided that (i) the applicable creditor shall not submit any NOI or bid in the SISP, and (ii) counsel to the applicable creditor executes a confidentiality agreement satisfactory to the Just Energy Entities and the Monitor;
 - (h) if no NOI is received by the NOI Deadline, the SISP shall be deemed to have been terminated, and the Stalking Horse Transaction shall be the Successful Bid;
 - (i) the Qualified Bid Deadline is September 29, 2022, subject to (i) a one-time extension for up to seven days with the consent of the Monitor, the Sponsor and the Supporting Secured CF Lenders, or (ii) further Order of the Court. If no Qualified Bid is received by the Qualified Bid Deadline, the SISP shall be deemed to have been terminated and the Stalking Horse Transaction shall be the Successful Bid;
 - (j) if one or more Qualified Bids are received, the Just Energy Entities shall hold an Auction to determine the Successful Bid. The Auction shall be carried out in accordance with the Auction Procedures attached to the SISP under the supervision of the Monitor. The Auction will be conducted in rounds and will require minimum Overbids of US\$1 million;
 - (k) the Just Energy Entities shall apply to the Court for approval of the Successful Bid and the authority to consummate the Successful Bid; and
 - (l) any amendments to the SISP may only be made by the Just Energy Entities with the written consent of the Monitor or by further Order of the Court.
33. The SISP solicits a broad range of transactions for the assets and/or business of the Just Energy Entities, which transactions may take the form of an acquisition or an investment, including pursuant to a plan of compromise or arrangement.
34. The terms of the proposed SISP are, in the Monitor's view, generally customary for sales processes conducted under the CCAA.



The Monitor understands from its review of the Affidavit of Robert Tannor, sworn August 10, 2022, that Putative Class Action Counsel are requesting that the SISP include a mandatory return to Court following the Qualified Bid Deadline to permit the Court to determine whether the Auction should proceed or whether an alternative restructuring plan of compromise or arrangement submitted by them should be put to creditors for a vote. The Monitor is of the view that a simple, defined process that sets out a clear roadmap for potential participants, as currently provided in the SISP, will facilitate the greatest participation by third parties in the process, all for the benefit of the Just Energy Entities' stakeholders. The Monitor is of the view that the uncertainty that would be introduced into the process by the proposed amendment may dissuade otherwise interested participants in the SISP from devoting the necessary resources to develop a bid for the Company. The Monitor does not support this proposed amendment to the SISP.

35. The SISP is to be conducted under the supervision of the Monitor, and the Just Energy Entities are required to consult with the Monitor on all significant steps and developments throughout the SISP process. In addition, the Successful Bid(s) generated by the SISP will come back before the Court for its consideration and approval. This oversight and supervision will ensure an efficient and fair SISP process.
36. With no prospect of implementing the Plan given the loss of stakeholder support for same, the Monitor is of the view that the proposed SISP is now the only viable option for the Company and represents the appropriate next step in these CCAA Proceedings to achieve a timely going concern restructuring resolution. The SISP has significant support amongst the Just Energy Entities' stakeholders including, as noted above, the Supporting Secured CF Lenders and Shell who provide business-critical commodity supply, letters of credit, and a credit facility to the Just Energy Entities.
37. The Monitor has noted in its previous reports to the Court its concerns about the delays in the progression of these CCAA Proceedings. Such delays have caused and continue to cause uncertainty for the Just Energy Entities' employees, vendors and stakeholders. The proposed SISP provides a pathway for the timely emergence of the Just Energy Entities and the termination of these CCAA Proceedings.



38. The timelines under the proposed SISP are reasonable in the circumstances given that:
(a) there has been extensive formal and informal marketing of the Just Energy Entities' business both prior to and during the course of these CCAA Proceedings, all as more fully described in the Carter Affidavit; (b) the Financial Advisor has been involved in devising such timelines and has determined that they are appropriate in the circumstances; and (c) solicitation of potential bidders by the Financial Advisor has already commenced.
39. The Monitor is of the view that the proposed SISP provides for a broad, open, fair and transparent process with an appropriate level of independent supervision. The proposed SISP provides a reasonable opportunity for bidders to submit offers superior to the Stalking Horse Transaction which, when combined with the SISP, establishes a basis for maximizing the potential realizable value for the Just Energy Entities.
40. Likewise, the Monitor is of the view that the proposed Auction process will, if required, serve to maximize recoveries to the benefit of all stakeholders and is a fair and transparent process with the appropriate level of supervision.
41. As noted above, the SISP requires that the Just Energy Entities provide information in respect of the bids received in the SISP to the DIP Lenders and CBHT. Accordingly, the Sponsor will be privy to such information. Given that the Stalking Horse Transaction Agreement has already been finalized and disclosed to all potential bidders, the provision of bidder information to the Sponsor allows for symmetry of disclosure. The Monitor is of the view that the provision of such information to the DIP Lenders will not adversely affect the results of the SISP.
42. The Monitor has been privy to numerous discussions between the Just Energy Entities and Putative Class Action Counsel with respect to the SISP. The Just Energy Entities shared an advance copy of the SISP with Putative Class Action Counsel on July 30, 2022 in an attempt to be transparent and, following execution of a non-disclosure agreement, provided early access to the SISP data room on July 20, 2022 to Putative Class Action Counsel and their financial advisor. Putative Class Action Counsel's



proposed financier was subsequently granted access to the data room on August 4, 2022 following execution of a non-disclosure agreement.

43. Nevertheless, the Monitor understands that there are matters that remain unresolved as between the Just Energy Entities and certain of the Contingent Litigation Claimants with respect to the terms of the SISP. In the absence of a consensual resolution of such issues, the Monitor is of the view that the SISP is fair and reasonable. The Contingent Litigation Claimants have the opportunity to submit a bid in the proposed SISP process, including through a plan of arrangement, if they think the Stalking Horse Transaction undervalues the Just Energy Entities.

The Stalking Horse Transaction Agreement and Break-Up Fee

44. Any capitalized terms used in this section of the Eleventh Report but not defined herein have the meanings given to them in the Stalking Horse Transaction Agreement or Plan, as applicable.
45. The Stalking Horse Transaction Agreement shares many similarities with the Plan. However, it differs from the Plan in a few important respects highlighted in this Eleventh Report. Principally, it does not contemplate a \$10 million General Unsecured Creditor Cash Pool or any share issuance or other compensation for the Term Loan Lenders. Accordingly, no amounts will be available for distribution to the Just Energy Entities' General Unsecured Creditors, including the Contingent Litigation Claimants and Term Loan Lenders. This is, therefore, a less favourable recovery outcome for such parties than that put forth under the Plan.
46. The Stalking Horse Transaction has been the subject of extensive discussions between the Just Energy Entities, the Sponsor, the Supporting Secured CF Lenders and Shell, which discussions the Monitor was either a party to or kept apprised of.
47. The Stalking Horse Transaction is intended to be effected pursuant to a reverse vesting order, which, among other benefits, would preserve the various regulatory licenses and permits the Just Energy Entities hold across various jurisdictions in Canada and the U.S.



48. A brief overview of the key provisions of the Stalking Horse Transaction Agreement follow:
- (a) the Sponsor, as purchaser, will ultimately acquire all newly-issued equity in Just Energy (U.S.) Corp., which will acquire all of the newly-issued equity in Just Energy. All other previously existing equity interests in Just Energy (U.S.) Corp. and Just Energy will be extinguished. Just Energy will cease to be a reporting issuer;
 - (b) as consideration for its acquisition, the Sponsor shall: (i) pay US\$184.9 million in cash, plus up to an additional \$10 million to the extent required to pay all required amounts under the Stalking Horse Transaction Agreement and the Vesting Order; (ii) credit bid the BP Commodity/ISO Services Claim in the amount of US\$252.7 million, including accrued interest to November 30, 2022; and (iii) assume the Assumed Liabilities (collectively, the “**Purchase Price**”), which include all:
 - (i) Post-Filing Claims;
 - (ii) liabilities of the Just Energy Entities arising from and after the Closing Date;
 - (iii) Claims of any Credit Facility Lender with respect to issued but undrawn letters of credit, if any;
 - (iv) Cash Management Obligations;
 - (v) Energy Regulator Claims relating to the Just Energy Entities; and
 - (vi) Employee Priority Claims;
 - (c) all Claims, debts and obligations save and except for the Assumed Liabilities shall be Excluded Liabilities;
 - (d) all Excluded Assets and Excluded Liabilities will be vested in entities to be organized in Canada and the U.S. (collectively, the “**Residual Cos.**”);
 - (e) the Just Energy Entities (except to the extent included within the definition of “Excluded Assets”) will emerge from these CCAA Proceedings and the Residual Cos. shall become Applicants in the CCAA Proceedings;
 - (f) all Priority Payments will be paid by the Just Energy Entities from cash on hand and the cash portion of the purchase price;

- (g) a \$1.9 million Administration Expense Amount shall be an Excluded Asset and shall be used by the Monitor to deal with the Residual Cos, among other things, with any remaining balance repaid to Just Energy; and
 - (h) if an Alternative Restructuring Proposal is consummated or Just Energy terminates the SISP Support Agreement on one of the permitted grounds enumerated therein, a Just Energy Entity organized in the U.S. shall pay the Sponsor a break-up fee in the cash amount of US\$14.66 million (the “**Break-Up Fee**”). The Break-Up Fee is proposed to be secured by a Court-ordered Bid Protection Charge over all of the Property of the Just Energy Entities. The Bid Protection Charge will have priority over all contractual or statutory security interests, charges, and liens, but will rank subordinate to all other Charges granted to date within the CCAA proceedings.
49. The Break-Up Fee was determined on a similar basis as the Termination Fee under the Backstop Commitment Letter, which was supported by the Monitor and approved by the Court in the First Endorsement, being the “new value contribution” by the Sponsor pursuant to the payment of the Purchase Price. Similar to the previously-approved Termination Fee, the Break-Up Fee equals 3.4% of the Purchase Price, exclusive of the Assumed Liabilities and the \$10 million payable by the Sponsor in the event of a shortfall. If the Assumed Liabilities and the \$10 million are included in the percentage calculation, the 3.4% would be further reduced.
50. The Monitor notes that the Just Energy Entities are seeking authorization to enter into the Stalking Horse Transaction Agreement and are not seeking the Court’s approval of the Stalking Horse Transaction as the Successful Bid at this juncture. Nevertheless, the support for the Stalking Horse Transaction by the parties to the SISP Support Agreement demonstrates significant stakeholder approval of its terms should the Stalking Horse Transaction be determined to be the Successful Bid pursuant to the SISP.
51. There is also a benefit in having a Stalking Horse Transaction set a “benchmark” as part of the proposed SISP, including providing certainty to stakeholders (including employees, customers, regulators and vendors) of a going-concern transaction that can close in a timely fashion.



52. The Monitor recognizes that the Stalking Horse Transaction Agreement, if implemented, will result in an inferior recovery for the General Unsecured Creditors when compared to the terminated Plan. However, the Monitor is of the view that the proposed SISP establishes a process that will test the market and allow for the best possible going concern restructuring resolution in the current market conditions.
53. The Monitor is also of the view that the proposed Break-Up Fee is reasonable in the circumstances, will not “chill” the submission of other prospective bids and supports its approval. The Monitor’s view is based on its review of break fees in similar sales transactions carried out under the CCAA and in restructuring proceedings in the United States under Chapter 15 of the United States Bankruptcy Code. The Monitor understands that the Break-Up Fee is an important component of the Stalking Horse Transactions that provides stability and certainty that there will be a going concern resolution to these CCAA Proceedings. In addition, the Monitor has reviewed the Carter Affidavit and notes that the Financial Advisor has confirmed its view that the Break-Up Fee is in line with market terms, is consistent with market practice and is reasonable in all of the circumstances.

THIRD KERP

54. The Court previously approved a key employee retention plan (the “**KERP**”) on March 19, 2021, which provided for certain payments to non-executive and executive KERP participants. Under the KERP, non-executive KERP recipients received three installment payments, and executive KERP recipients received 50% of their KERP through two KERP installment payments, with the balance payable upon the completion of a Successful Restructuring (as defined in the Affidavit of Michael Carter sworn March 16, 2021).
55. The Court also granted a Court-ordered charge (the “**KERP Charge**”) as security for payments under the KERP in the amounts of \$2,012,100 for Canadian dollar payments and US\$3,876,024 for U.S. dollar payments. The initial KERP was formulated on the expectation that the Just Energy Entities would conclude their restructuring by the end of 2021.



56. However, the Just Energy Entities required additional time to implement a restructuring transaction and accordingly, the Court approved a second KERP (the “**Second KERP**”) on November 10, 2021, which provided for two installment payments for non-executive KERP recipients and one installment payment for executive KERP recipients, along with a success-based payment upon the completion of a Successful Restructuring. The KERP Charge was not increased.
57. Payments made under the KERP and Second KERP to date total approximately \$7.4 million. Final payments to non-executive key employees under the KERP were made in June 2022. The final payment to non-executive key employees under the Second KERP will be made on September 9, 2022.
58. The Just Energy Entities are seeking approval of the Third KERP solely for key non-executive employees who are considered critical to the continued operation and stability of the Just Energy Entities as a going concern. The proposed Third KERP is in the maximum aggregate amount of approximately CAD\$0.4 million and US\$0.6 million, payable upon emergence from the CCAA and Chapter 15 Proceedings or within 30 days thereof, and if approved, would be payable to 30 key non-executive employees. The Just Energy Entities are not seeking any increase to the KERP Charge in connection with the proposed Third KERP as the KERP Charge is sufficient to cover the remaining payments payable under the original and Second KERP, along with the proposed Third KERP. No change to the Executive KERP is proposed.
59. The Monitor understands that the Third KERP is intended to provide financial motivation for key non-executive employees to continue their employment with the Just Energy Entities, despite the highly competitive job market, the additional workload required by such key employees and the extended uncertainty and strain on such key employees as a result of the extended duration of the restructuring proceedings. The Just Energy Entities are concerned that, absent the approval of the Third KERP, there is a risk that key employees will resign.
60. A summary of the Third KERP is attached as Confidential Exhibit “L” to the Carter Affidavit, which contains commercially sensitive information as well as personal



information relating to the non-executive key employees. Accordingly, the Applicants are seeking an order that this exhibit be sealed and not form part of the Court record pending further order of the Court. The Monitor supports such relief and notes that such treatment is consistent with the treatment of the previous KERP summaries.

61. The requested relief is consistent with the purpose and spirit of the previously approved KERP and Second KERP and reflects the additional length of time anticipated to be required to achieve a successful restructuring. The Monitor views the relief requested by the Just Energy Entities regarding the Third KERP as fair and reasonable in the circumstances, and in the best interest of the Just Energy Entities. Accordingly, the Monitor supports the relief sought by the Applicants with respect to the approval of the Third KERP.

UPDATE ON CLAIMS PROCEDURE

62. Capitalized terms used but not otherwise defined in this section of the Eleventh Report have the meanings attributed to them in the Claims Procedure Order.
63. Since the Tenth Report and in accordance with the Claims Procedure Order, the Just Energy Entities have continued to provide notice of the Claims Procedure to any potential Claimants identified. Subsequent to and as contemplated in paragraph 92 of the Tenth Report, the Just Energy Entities in consultation with the Monitor issued approximately 40 negative notices to certain state governmental bodies totaling approximately \$0.9 million of new unsecured claims with respect to unclaimed property claims (the “**Unclaimed Property Negative Notices**”).
64. As mentioned above, the First Endorsement required the Monitor to forthwith engage with the Contingent Litigation Claimants and Pariveda to determine a process to conduct the claim determinations and valuations. By letter dated June 17, 2022, the Monitor advised the CCAA Court and Service List that the parties had agreed that such directed process be temporarily postponed given the ongoing discussion at such time between the Just Energy Entities, Pariveda, and certain of the Contingent Litigation Claimants, and requested the Court’s indulgence that such process be put in abeyance. A copy of the Monitor’s letter is attached hereto as **Appendix “B”**.



65. As previously noted, the Stalking Horse Transaction does not provide recovery for General Unsecured Creditors (which includes the Term Loan Lenders), the Just Energy Entities are seeking advice and direction from the Court regarding the suspension of the Claims Procedure, Appointment Order and direction to facilitate the adjudication of certain Claims as set out in the First Endorsement, unless the adjudication of such Claims is necessary for determining entitlement to proceeds to be distributed in accordance with the Stalking Horse Transaction or another transaction entered into pursuant to the SISP.
66. For example, the Just Energy Entities have engaged the Claims Officer to commence the adjudication of the Disputed Claim filed by NextEra, given that such Claim is a secured Claim and is required to be paid pursuant to the Stalking Horse Transaction Agreement. Counsel for the Just Energy Entities, NextEra, the DIP Lenders and the Monitor attended an initial case conference before the Claims Officer on August 9, 2022, to determine a litigation timetable in respect of the adjudication of such Disputed Claim.
67. In the circumstances, the Monitor is supportive of the Just Energy Entities' request that the Claims Procedure be held in abeyance with very limited exceptions while the SISP is conducted. The Monitor is of the view that continuing with the adjudication of remaining Claims may result in unnecessary costs and consumption of other resources given it is currently unknown whether any value will be available to such creditors. If a continued determination of Claims is required for the purposes of determining entitlement to proceeds to be distributed based on the results of the SISP, the Just Energy Entities will so advise the Court and proceed with same.
68. The Monitor understands Putative Class Action Counsel is continuing to request that the validity and value of the Claims submitted with respect to the Donin/Jordet Actions be determined in an expedited fashion. The Monitor does not support such requested determination process because: (a) there is no reason to expend the time and resources required to determine the validity and value of the Donin/Jordet Actions be incurred until it is known whether a superior bid will be received in the SISP that will provide value to General Unsecured Creditors; and (b) the focus of the Just Energy Entities' key



employees should be on conducting the SISP and running the business to ensure the availability of a going concern solution. The time and resources of such key employees are already taxed. The Monitor accordingly supports the Just Energy Entities' request that the entirety of the Claims Procedure be held in abeyance

69. The Monitor last reported on the Claims Procedure in the Tenth Report. A summary of the current resolution status of the Claims as at August 5, 2022 is presented in the table below. Please note that amounts presented are inclusive of potential duplicate and/or erroneous Claims, and represent the total Claims received by the Just Energy Entities and recorded by the Monitor. Claims denominated in U.S. dollars have been converted at a rate of CAD\$1.26 to US\$1.00 for purposes of this summary:

Category	Accepted or Deemed Accepted	Under Review	Dispute Resolution in Process	Sub-total Claims Pool	Duplicative Claims or Claim Value Reductions	Total Claims Pool	Disallowed	Rescinded Negative Notices / Withdrawn	Total
<i>(amounts stated in millions of CAD)</i>	A	B	C	D= A+ B+ C	E	F= D+ E	G	H	I= F+ G+ H
Funded Debt	620	13	-	633	-	633	-	866	1,499
Commodity & Financial	502	9	28	540	17	557	9	405	970
Litigation	-	1	4,836	4,836	4,827	9,664	361	0	10,024
Tax & Unclaimed Property	6	1	-	7	0	7	0	89	96
Trade & Other	13	34	27	74	441	515	5	40	559
D&O	-	0	118	118	0	118	1,436	-	1,554
Total Claims Received	\$ 1,142	\$ 58	\$ 5,008	\$ 6,208	\$ 5,286	\$ 11,494	\$ 1,811	\$ 1,400	\$ 14,704
by Claim Priority									
Secured Claims	832	9	28	869	17	886	8	315	1,209
Unsecured Claims	310	49	4980	5,339	5268	10,607	1803	1084	13,495
Total Received	\$ 1,142	\$ 58	\$ 5,008	\$ 6,208	\$ 5,286	\$ 11,494	\$ 1,811	\$ 1,400	\$ 14,704

70. A description of the categories utilized in the table above describing the status of the Claims, is set out at paragraph 28 of the Seventh Report of the Monitor dated March 22, 2022, a copy of which is available on the Monitor's Website.

71. Since the date of the Tenth Report, the Monitor has received and recorded an additional \$22 million in Claims. Based on the preliminary review of such claims by the Just Energy Entities and the Monitor, the additional Claims can be classified into the following categories:

- (a) Claims resulting from the issuance of Notices of Revision or Disallowance of approximately \$21 million. The increased Claim amounts included in these Notices of Revision or Disallowance resulted from the reclassification by the



Just Energy Entities of certain claims submitted as post-filing claims to Pre-Filing Claims;

- (b) Unclaimed Property Negative Notices of approximately \$0.9 million as discussed above; and
- (c) Late-Filed Claims (as defined in the Fifth Report of the Monitor dated February 4, 2022) under review of approximately \$0.1 million.

UPDATE ON HB 4492 RECOVERIES AND ERCOT LITIGATION

HB 4492 Recoveries

- 72. As mentioned in the Monitor’s previous reports to the Court, including the Supplement to the Tenth Report, the Governor of Texas signed HB 4492 on June 16, 2021, which provides a mechanism for the partial recovery of costs incurred by certain Texas energy market participants, including the Just Energy Entities, during the Texas weather event in February 2021. The Monitor also noted that the total amount that the Just Energy Entities might recover through HB 4492 was dependant on several factors.
- 73. Proceeds of HB 4492 in the aggregate amount of US\$147.5 million were received by the Just Energy Entities from Electric Reliability Council of Texas, Inc. (“**ERCOT**”) on June 22 and 29, 2022. Such proceeds have been received by the Just Energy Entities and are accounted for as a source of cash in the projected cash on hand at the time of closing of the Stalking Horse Transaction.

ERCOT Litigation

- 74. As noted in the Monitor’s previous reports to the Court, the Just Energy Entities disputed the resettlement payments that the Just Energy Entities were required to pay to ERCOT as a result of the inflated prices during the Texas weather event. The Monitor also noted that ERCOT had dismissed one of the disputes filed by the Just Energy Entities, which triggered an alternative dispute resolution process.
- 75. As previously noted by the Monitor, the Just Energy Entities had commenced litigation against ERCOT and the Public Utility Commission of Texas (the “**PUCT**”) on November 12, 2021, in an effort to recover payments made by various Just Energy



Entities to ERCOT for certain invoices relating to the Texas weather event in February 2021 (the “**ERCOT Litigation**”). The claim against the PUCT was dismissed by the U.S. Court. Further, the Monitor noted that it intends to be actively involved in supporting the ERCOT Litigation.

76. At a hearing on April 4, 2022 on ERCOT’s second motion to dismiss, the U.S. Bankruptcy Court requested that the parties seek direction from the CCAA Court with respect to the proper party in interest to advance certain claims.
77. By endorsement dated May 5, 2022 (the “**Section 36.1 Endorsement**”), the CCAA Court determined that Just Energy (as foreign representative) and other Just Energy Entities, as the case may be, were authorized and empowered to pursue the Section 36.1 Claims in the Adversary Proceeding, *nunc pro tunc*, with the Monitor being authorized and directed to take whatever actions and steps it deemed advisable to assist and supervise the Just Energy Entities with respect to the prosecution of the Section 36.1 Claims in the Adversary Proceeding. As mentioned above, the Section 36.1 Endorsement and related Order were given full force and effect in the United States pursuant to an Order of the U.S. Bankruptcy Court entered on July 19, 2022.
78. On June 9, 2022, the U.S. Bankruptcy Court held a continued hearing on ERCOT’s motion to dismiss the First Amended Complaint. At that hearing, the U.S. Bankruptcy Court dismissed Count 3 (Transfer at Undervalue - CCAA (§ 36.1), BIA (§ 96)). The Bankruptcy Court also dismissed Counts 1 and 2 (Preference - CCAA (§ 36.1), BIA (§ 95)) with leave to replead those Counts to identify with more specificity the individual obligations and transfers at issue. At that time, the U.S. Bankruptcy Court deferred ruling on ERCOT’s other arguments.
79. On June 14, 2022, the Just Energy Entities filed a second amended complaint (the “**Second Amended Complaint**”). The Second Amended Complaint contains the same Counts as the First Amended Complaint, except for Count 3 (Transfer at Undervalue - CCAA (§ 36.1), BIA (§ 96)).



80. On June 21, 2022, ERCOT filed a third motion to dismiss the Second Amended Complaint. At a hearing on June 27, 2022, the U.S. Bankruptcy Court granted ERCOT’s motion in part: (i) dismissing Count 6 (Setoff, Recoupment); and (ii) striking certain allegations from the Second Amended Complaint. The U.S. Bankruptcy Court denied ERCOT’s motion in all other respects, including with respect to arguments based on sovereign immunity, abstention, the filed-rates doctrine, and the PUCT as a necessary party (the “**July 6 Order**”). A table summarizing the foregoing is provided below:

Count	June 9, 2022 Hearing	June 27, 2022 Hearing
Count 1 (Preference (Obligations) CCAA (§ 36.1), BIA (§ 95))	Dismissed with leave to replead	Upheld
Count 2 (Preference (Transfers) - CCAA (§ 36.1), BIA (§ 95))	Dismissed with leave to replead	Upheld
Count 3 (Transfer at Undervalue - CCAA (§ 36.1), BIA (§ 96))	Dismissed	-
Count 4 (Recovering Proceeds - CCAA (§ 36.1), BIA (§ 98))	Deferred determination	Upheld
Count 5 (Turnover - 11 U.S.C. § 542(a))	Deferred determination	Upheld
Count 6 (Setoff, Recoupment)	Deferred determination	Dismissed

81. During the hearing on June 27, 2022, counsel for ERCOT informed the U.S. Bankruptcy Court that ERCOT intends to seek a direct appeal of certain aspects of the U.S. Bankruptcy Court’s ruling to the U.S. Court of Appeals for the Fifth Circuit (the “**Court of Appeals**”). On July 19, 2022, ERCOT filed a notice of appeal of the July 6 Order and, by Order granted July 19, 2022, the U.S. Bankruptcy Court certified the July 6 Order for direct appeal to the Fifth Circuit and recommended that the appeal be heard on an expedited basis. On July 19, 2022 Just Energy, ERCOT and certain Intervenors filed in the U.S. Bankruptcy Court a Certification to the Court of Appeals that a circumstance specified in 28 U.S.C. § 158(d)(2) exists supporting certification to the Court of Appeals.



82. On July 27, 2022 ERCOT and the Intervenors filed an Unopposed Petition for Direct Appeal Under 28 U.S.C. § 158(d)(2) (the “**Motion for Direct Appeal**”) with the Court of Appeals. Also, on July 27, 2022 Just Energy filed with the Court of Appeals Respondents’ Unopposed Motion to Expedite Appeal. The Court of Appeals has not ruled on the Motion for Direct Appeal.
83. The timeline to resolution and likelihood of success of this litigation is unknown. Recoveries from such litigation, if any, could take years to realize.

RECEIPTS AND DISBURSEMENTS FOR THE 13-WEEK PERIOD ENDED AUGUST 6, 2022

84. The Just Energy Entities’ actual net cash flow for the 13-week period from May 8, 2022 to August 6, 2022, was approximately \$157.6 million better than the Cash Flow Forecast appended to the Tenth Report (the “**Summer 2022 Cash Flow Forecast**”), as summarized below:



<i>(CAD\$ in millions)</i>	Forecast	Actuals	Variance
RECEIPTS			
Sales Receipts	\$682.4	\$737.9	\$55.4
Miscellaneous Receipts	-	194.5	194.5
<i>Total Receipts</i>	\$682.4	\$932.4	\$250.0
DISBURSEMENTS			
<i>Operating Disbursements</i>			
Energy and Delivery Costs	(\$559.0)	(\$651.6)	(\$92.6)
Payroll	(23.8)	(23.5)	0.3
Taxes	(21.7)	(24.7)	(2.9)
Commissions	(23.4)	(27.1)	(3.7)
Selling and Other Costs	(41.1)	(31.6)	9.4
<i>Total Operating Disbursements</i>	(\$669.0)	(\$758.5)	(\$89.4)
OPERATING CASH FLOWS	\$13.4	\$173.9	\$160.5
<i>Financing Disbursements</i>			
Credit Facility - Borrowings / (Repayments)	\$ -	\$ -	\$ -
Interest Expense & Fees	(11.5)	(9.3)	2.2
<i>Restructuring Disbursements</i>			
Professional Fees	(14.2)	(19.3)	(5.2)
NET CASH FLOWS	(\$12.3)	\$145.3	\$157.6
CASH			
Beginning Balance	\$159.3	\$159.3	\$ -
Net Cash Inflows / (Outflows)	(12.3)	145.3	157.6
Other (FX)	-	(2.7)	(2.7)
ENDING CASH	\$147.0	\$301.9	\$154.9

85. Explanations for the main variances in actual receipts and disbursements as compared to the Summer 2022 Cash Flow Forecast are as follows:

- (a) The favourable variance of approximately \$55.4 million in Sales Receipts is primarily comprised of the following:
 - (i) a favourable variance of approximately \$29.3 million due to higher than forecast sales receipts in respect of U.S. residential customers due to higher consumption associated with warmer than expected weather, which is partially offset by higher Energy and Delivery costs in current and future periods;

- (ii) a favourable variance of approximately \$16.0 million due to higher than forecast sales receipts in respect of U.S. commercial customers due to higher consumption associated with warmer than expected weather, which is partially offset by higher Energy and Delivery costs in current and future periods; and
 - (iii) a favourable variance of approximately \$10.1 million due to higher than forecast sales receipts in respect of Canadian residential and commercial customer billings, which is partially offset by higher Energy and Delivery costs in current and future periods;
- (b) The permanent favourable variance of approximately \$194.5 million in Miscellaneous Receipts is primarily due to the recovery from ERCOT pertaining to HB 4492 as mentioned above, as well as receipt of refunds from Canada Revenue Agency on account of Goods and Services Tax previously paid by the Just Energy Entities;
- (c) The unfavourable variance of approximately \$92.6 million in respect of Energy and Delivery Costs is primarily driven by the following:
 - (i) A permanent unfavourable variance of approximately \$52.0 million due to higher commodity payments, primarily driven by increased pricing and load during summer heat waves in the Texas market, partially offset by payouts to the Company from its summer weather hedging strategy;
 - (ii) An unfavourable variance of approximately \$26.4 million primarily due to increased collateral requirements with ERCOT in relation to increased pricing and load during the summer heat waves in the Texas market during the 13-week period;
 - (iii) A permanent unfavourable variance of approximately \$14.3 million due to higher than forecast transportation and delivery payments due in part to higher energy transmission volumes, increased transportation and delivery rates, and normal course fluctuations;



- (d) The temporary unfavourable variance of approximately \$2.9 million in respect of Taxes is primarily due to normal course fluctuations in the timing of tax payments;
- (e) The permanent unfavourable variance of approximately \$3.7 million in respect of Commissions is primarily due to normal course fluctuations related to customer sign-ups and associated commissions relative to the Summer 2022 Cash Flow Forecast;
- (f) The favourable variance of approximately \$9.4 million in respect of Selling and Other Costs is primarily due to lower than forecast spending rates and to the Just Energy Entities' continued successful negotiation of payment terms and go-forward arrangements with its vendors;
- (g) The favorable variance of approximately \$2.2 million in respect of Interest Expense & Fees is primarily due to the timing of the Just Energy Entities' remittance of certain amounts being made later than forecast outside the 13-week period analyzed. This timing adjustment is incorporated in the August 2022 Cash Flow Forecast (as defined below); and
- (h) The unfavourable variance of \$5.2 million in respect of Professional Fees is due to higher than forecast payment of professional fee invoices during the 13-week forecast period primarily resulting from increased services rendered by professionals with respect to the continued development and negotiation of the Plan, and the development of an alternative restructuring path forward for the Just Energy Entities among its key stakeholders including negotiation of the SISP, SISP Support Agreement, and Stalking Horse Transaction Agreements, as well as ongoing discussions with the Contingent Litigation Claimants.

Reporting Pursuant to the DIP Term Sheet

86. The variances shown and described herein compare the Summer 2022 Cash Flow Forecast, as appended to the Tenth Report, with the actual performance of the Just Energy Entities over the 13-week period noted.



87. Pursuant to Section 18 of the DIP Term Sheet, the Just Energy Entities are required to deliver a variance report setting out the actual versus projected cash disbursements once every four weeks (the “**DIP Variance Report(s)**”). The permitted variances to which certain line items of the cash flow forecast are tested are outlined in section 24(30) of Schedule I of the DIP Term Sheet. The Just Energy Entities provided the required variance reports for the four-week periods ended May 28, 2022; June 25, 2022; and July 23, 2022. All variances reported were within the permitted variances with two exceptions for which Management proactively sought waivers from the DIP Lenders and are summarized below:
- (a) For the variance report covering the four-week period ended May 28, 2022, the Just Energy Entities sought and the DIP Lenders approved a waiver with respect to the line item variance test for the Energy and Delivery Costs. This waiver dated May 28, 2022 was necessary due to higher than forecast collateral requirements by ERCOT in relation to unseasonably high temperatures in the Texas market, which caused historically high load and commodity prices; and
 - (b) For the variance report covering the four-week period ended July 23, 2022, the Just Energy Entities sought, and the DIP Lenders approved, a waiver with respect to the line item variance test for Commissions. This waiver dated July 26, 2022 related to the timing of certain commission payments made by the Just Energy Entities approximately four days earlier than contemplated during the final week of the four-week period instead of during the first week of the subsequent four-week DIP budget period where the commission payments were forecast to be made. This timing variance resulted in commission payments exceeding the testing threshold in the respective four-week DIP budget period – necessitating the waiver.
88. Also, in accordance with Section 18 of the DIP Term Sheet, the Just Energy Entities are required to deliver a new 13-week cash flow forecast, which shall replace the immediately preceding cash flow forecast in its entirety upon the DIP Lenders’ approval thereof and is used as the basis for the next four-week variance report and permitted variance testing (the “**DIP Cash Flow Forecast(s)**”). The Just Energy Entities provided



the required DIP Cash Flow Forecasts, which were approved by the DIP Lenders, for the 13-week periods beginning May 29, 2022; June 26, 2022; and July 24, 2022.

89. As the DIP Variance Report utilizes updated underlying cash flow forecasts vis-à-vis the Summer 2022 Cash Flow Forecast for the same period, the DIP Variance Report differed from the variance analysis above that compares actual results to the Summer 2022 Cash Flow Forecast. For purposes of the Just Energy Entities reporting requirements pursuant to the DIP Term Sheet, the DIP Cash Flow Forecasts as approved by the DIP Lenders will continue to govern.
90. Since the Tenth Report, the Just Energy Entities have complied with their reporting obligations pursuant to the DIP Term Sheet, the Second A&R Initial Order, and other documents including certain support agreements. These reporting obligations during the period included the in-time delivery of the following:
 - (a) Delivery of a Priority Supplier Payables Certificate monthly;
 - (b) Delivery of an ERCOT Related Settlements update weekly;
 - (c) Delivery of a Cash Management Charge update monthly;
 - (d) Delivery of a Priority Commodity / ISO Charge update weekly and monthly;
 - (e) Delivery of a Gross Margin Calculation Certificate update quarterly;
 - (f) Delivery of Consolidated Financial Statements and related documents update quarterly;
 - (g) Delivery of a Marked to Market Calculation monthly; and
 - (h) Delivery of Electricity and Natural Gas Portfolio Reports, Hedging Exposure and Supply/Demand Projections quarterly.

CASH FLOW FORECAST FOR THE PERIOD ENDING NOVEMBER 5, 2022

91. The Just Energy Entities, with the assistance of the Monitor, have updated and extended their weekly cash flow forecast for the 13-week period ending November 5, 2022 (the “**August 2022 Cash Flow Forecast**”), which encompasses the requested stay extension



to October 31, 2022. The August 2022 Cash Flow Forecast is attached hereto as **Appendix “C”**, and is summarized below:

<i>(CAD\$ in millions)</i>	13-Week Period Ending November 5, 2022
Forecast Week	Total
RECEIPTS	
Sales Receipts	\$858.2
Miscellaneous Receipts	7.3
<i>Total Receipts</i>	\$865.5
DISBURSEMENTS	
<i>Operating Disbursements</i>	
Energy and Delivery Costs	(\$712.7)
Payroll	(29.2)
Taxes	(27.5)
Commissions	(27.0)
Selling and Other Costs	(29.9)
<i>Total Operating Disbursements</i>	(\$826.3)
OPERATING CASH FLOWS	\$39.2
<i>Financing Disbursements</i>	
Credit Facility - Borrowings / (Repayments)	\$ -
Interest Expense & Fees	(13.0)
<i>Restructuring Disbursements</i>	
Professional Fees	(14.0)
NET CASH FLOWS	\$12.2
CASH	
Beginning Balance	\$301.9
Net Cash Inflows / (Outflows)	12.2
Other (FX)	-
ENDING CASH	\$314.1

92. The August 2022 Cash Flow Forecast indicates that during the 13-week period ending November 5, 2022, the Just Energy Entities will have operating cash inflows of approximately \$39.2 million with total receipts of approximately \$865.5 million and total operating disbursements of approximately \$826.3 million, before interest expense and fees of approximately \$13 million and professional fees of approximately \$14 million, such that total net cash inflows are forecast to be approximately \$12.2 million.
93. Generally, the underlying assumptions and methodology utilized in the Summer 2022 Cash Flow Forecast have remained the same for this August 2022 Cash Flow Forecast; however, the Monitor notes the following:

- (a) The forecast period was extended from the week ending August 20, 2022 to the week ending November 5, 2022;
- (b) The Just Energy Entities have updated and revised certain underlying data supporting the assumptions that contribute to the cash receipts and disbursements included in the August 2022 Cash Flow Forecast, which include:
 - (i) Customer cash receipt collection timing and bad debt estimates have been updated based on recent trends;
 - (ii) Customer cash receipt estimates have also been updated based on actualized revenue billed for recent periods combined with refined estimates for future customer billings;
 - (iii) Certain disbursements not incurred during the prior period have been carried forward as they are expected to be incurred in future weeks;
 - (iv) Vendor credit support and cash collateral requirements have been updated based on business requirements and on-going discussions between the Just Energy Entities and its vendors;
 - (v) The tax disbursements forecast has been updated based on the tax department's latest tax payment schedule and estimates; and
 - (vi) Professional fee estimates have been updated to reflect expected activity during the forecast period.

94. The August 2022 Cash Flow Forecast demonstrates that, subject to its underlying hypothetical and probable assumptions, the Just Energy Entities are forecast to have sufficient liquidity to continue funding their operations during the CCAA Proceedings to October 31, 2022.

STAY PERIOD EXTENSION

95. The Stay Period will expire on August 19, 2022, and the Applicants are seeking an extension to the Stay Period up to and including October 31, 2022.



96. The Monitor supports extending the Stay Period to October 31, 2022 for the following reasons:
- (a) the Monitor is of the view that the proposed extension to the Stay Period is necessary to provide the Just Energy Entities with time to conduct the SISP;
 - (b) as indicated by the August 2022 Cash Flow Forecast, the Just Energy Entities are forecast to have sufficient liquidity to continue operating in the ordinary course of business during the requested extension of the Stay Period;
 - (c) no creditor of the Just Energy Entities would be materially prejudiced by the extension of the Stay Period; and
 - (d) in the Monitor's view, the Just Energy Entities have acted in good faith and with due diligence in the CCAA Proceedings since the inception of the CCAA Proceedings.

APPROVAL OF THE ACTIVITIES OF THE MONITOR

97. The proposed SISP Approval Order seeks approval of (i) the Tenth Report (including the Supplement to the Tenth Report); (ii) this Eleventh Report; and (iii) the activities and conduct of the Monitor described therein.
98. Although the Monitor sought approval of the Tenth Report at the Meetings Order Motion, the First Endorsement did not address such approval. Accordingly, the Applicants are seeking such approval at this time in the SISP Approval Order.
99. The Monitor notes that, at the Meetings Order Motion, it also sought approval of its fees and the fees of its counsel as described in the Tenth Report. Such fees were approved in the First Endorsement. The Monitor will seek approval of the fees incurred by the Monitor and its counsel following the date of such approval period in a future report to the Court.
100. As outlined in the Monitor's previous reports to the Court (all of which are available on the Monitor's Website), the Monitor and its counsel have played, and continue to play, a significant role in the CCAA Proceedings. The Monitor respectfully submits that its actions, conduct, and activities in the CCAA Proceedings since the Tenth Report have



been carried out in good faith and in accordance with the provisions of the orders issued therein and should therefore be approved.

CONCLUSION

101. The Monitor is of the view that the relief requested by the Applicants is reasonable and justified in the circumstances.
102. Accordingly, the Monitor respectfully supports the requested relief and recommends that the SISP Approval Order be granted.

The Monitor respectfully submits this Eleventh Report to the Court dated this 13th day of August, 2022.

FTI Consulting Canada Inc.,
in its capacity as Court-appointed Monitor of
Just Energy Group Inc. *et al*,
and not in its personal or corporate capacity

Per:



Paul Bishop
Senior Managing Director



Appendix "A"

SALE AND INVESTMENT SOLICITATION PROCESS



Sale and Investment Solicitation Process

1. On August 17, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**SISP Order**”) that, among other things, (a) authorized Just Energy (as defined below) to implement a sale and investment solicitation process (“**SISP**”) in accordance with the terms hereof, (b) approved the Support Agreement, (c) authorized and directed Just Energy Group Inc. to enter into the Stalking Horse Transaction Agreement, (d) approved the Break-Up Fee, and (e) granted the Bid Protections Charge. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Second Amended & Restated Initial Order granted by the Court in Just Energy’s proceedings under the *Companies’ Creditors Arrangement Act* on May 26, 2021, as amended, restated or supplemented from time to time or the SISP Order, as applicable.
2. This SISP sets out the manner in which (i) binding bids for executable transaction alternatives that are superior to the sale transaction to be provided for in the Stalking Horse Transaction Agreement involving the shares and/or the business and assets of Just Energy Group Inc. and its direct and indirect subsidiaries (collectively, “**Just Energy**”) will be solicited from interested parties, (ii) any such bids received will be addressed, (iii) any Successful Bid (as defined below) will be selected, and (iv) Court (as defined below) approval of any Successful Bid will be sought. Such transaction alternatives may include, among other things, a sale of some or all of Just Energy’s shares, assets and/or business and/or an investment in Just Energy, each of which shall be subject to all terms set forth in this SISP.
3. The SISP shall be conducted by Just Energy under the oversight of FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the “**Monitor**”), with the assistance of BMO Capital Markets (the “**Financial Advisor**”).
4. Parties who wish to have their bids considered shall be expected to participate in the SISP as conducted by Just Energy and the Financial Advisor.
5. The SISP will be conducted such that Just Energy and the Financial Advisor will (under the oversight of the Monitor):
 - a) prepare marketing materials and a process letter;
 - b) prepare and provide applicable parties with access to a data room containing diligence information;
 - c) solicit interest from parties to enter into non-disclosure agreements (parties shall only obtain access to the data room and be permitted to participate in the SISP if they execute a non-disclosure agreement that is in form and substance satisfactory to Just Energy); and
 - d) request that such parties (other than the Sponsor or its designee) submit (i) a notice of intent to bid that identifies the potential purchaser and a general description of the assets and/or business(es) of the Just Energy Entities that would be the subject of the bid and that reflects a reasonably likely prospect of culminating in a Qualified Bid (as defined below), as determined by the Just Energy Entities in consultation with the Monitor and the Credit Facility Agent (subject to the confidentiality requirements set forth in Section 15 below) (a “**NOI**”) by the NOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 7 below, as determined by the Just Energy Entities in consultation with the Monitor (a “**Qualified Bid**”) by the Qualified Bid Deadline (as defined below).

6. The SISP shall be conducted subject to the terms hereof and the following key milestones:
- a) Just Energy to commence solicitation process on the date of service of the motion for approval of the SISP – August 4, 2022;¹
 - b) Court approval of SISP and authorizing Just Energy to enter into the Stalking Horse Transaction Agreement – August 17, 2022;
 - c) Deadline to submit NOI – 11:59 p.m. Eastern Daylight Time on August 25, 2022 (the “**NOI Deadline**”);
 - d) Deadline to submit a Qualified Bid – 11:59 p.m. Eastern Daylight Time on September 29, 2022 (the “**Qualified Bid Deadline**”);
 - e) Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Eastern Daylight Time on October 6, 2022;
 - f) Just Energy to hold Auction (if applicable) – 10:00 a.m. Eastern Daylight Time on October 8, 2022; and
 - g) Implementation Order (as defined below) hearing:
 - o (if no NOI is submitted) – by no later than September 2, 2022, subject to Court availability.
 - o (if there is no Auction) – by no later than October 15, 2022, subject to Court availability.
 - o (if there is an Auction) – by no later than twelve (12) days after completion of the Auction, subject to Court availability.
7. In order to constitute a Qualified Bid, a bid must comply with the following:
- a. it provides for (i) the payment in full in cash on closing of the BP Commodity/ISO Services Claim (as defined in the Support Agreement), unless otherwise agreed to by the holder of such claim in its sole discretion; (ii) the payment in full in cash on closing of the Credit Facility Claims, unless otherwise agreed to by the Credit Facility Agent in its sole discretion; (iii) the payment in full in cash on closing of any claims ranking in priority to the claims set forth in subparagraphs (i) or (ii) including any claims secured by Court-ordered charges, unless otherwise agreed to by the applicable holders thereof in their sole discretion (iv) the return of all outstanding letters of credit and release of all Credit Facility LC Claims or arrangements satisfactory to the applicable Credit Facility Lenders in their discretion to secure with cash collateral or otherwise any Credit Facility LC Claims not released, and (v) the payment in full in cash on closing of any outstanding Cash Management Obligations or arrangements satisfactory to the applicable Credit Facility Lenders or their affiliates to secure with cash collateral or otherwise any outstanding Cash Management Obligations.
 - b. it provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the “**Cash Consideration Value**”) and any assumptions that could reduce the net consideration payable. At a minimum, the Cash Consideration Value plus Just Energy’s cash on hand must be sufficient for payment in full of the items contemplated in Sections 7(a)(i) and 7(a)(ii) herein, 3.2 of the Stalking Horse Transaction Agreement and the Break-Up Fee, plus USD\$1,000,000, on closing, which Cash Consideration Value is estimated to be USD\$460,000,000 as of December 31, 2022.

¹ To the extent any dates would fall on a non-business day, to be the first business day thereafter.

- c. it is reasonably capable of being consummated by 90 days after completion of the Auction if selected as the Successful Bid;
- d. it contains:
 - i. duly executed binding transaction document(s);
 - ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
 - iii. a redline to the form of transaction document(s) provided by Just Energy, if applicable;
 - iv. evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);
 - v. disclosure of any connections or agreements with Just Energy or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, or known equity security holder of Just Energy or any of its affiliates; and
 - vi. such other information reasonably requested by Just Energy or the Monitor;
- e. it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
- f. it provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Purchaser in connection with the Transaction Agreement;
- g. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- h. it is not conditional upon:
 - i. approval from the bidder's board of directors (or comparable governing body) or equityholder(s);
 - ii. the outcome of any due diligence by the bidder; or
 - iii. the bidder obtaining financing;
- i. it includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
- j. it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction (including the anticipated timing necessary to obtain such approvals) and, in connection therewith, specifies whether the bidder or any of its affiliates is involved in any part of the energy sector, including an electric utility, retail service provider, a company with a tariff on file with the Federal Energy Regulatory Commission, or any intermediate holding company;
- k. it includes full details of the bidder's intended treatment of Just Energy's employees under the proposed bid;
- l. it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with this SISP;
- m. a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
- n. it is received by the Qualified Bid Deadline.

8. The Qualified Bid Deadline may be extended by (i) Just Energy for up to no longer than seven days with the consent of the Monitor, the Credit Facility Agent and the Sponsor, acting reasonably, or (ii) further order of the Court. In such circumstances, the milestones contained in Subsections 6(f) and (g) shall be extended by the same amount of time.
9. Just Energy, in consultation with the Monitor, may waive compliance with any one or more of the requirements specified in Section 7 above and deem a non-compliant bid to be a Qualified Bid, provided that Just Energy shall not waive compliance with the requirements specified in Subsections 7(a), (b), (e), (e), (g), (h), (j) or (l) without the prior written consent of the Sponsor and Credit Facility Agent, each acting reasonably.
10. Notwithstanding the requirements specified in Section 7 above, the transactions contemplated by the Stalking Horse Transaction Agreement (the “**Stalking Horse Transaction**”), is deemed to be a Qualified Bid, provided that, for greater certainty, no Deposit shall be required to be submitted in connection with the Stalking Horse Transaction.
11. If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by Just Energy on or before the Qualified Bid Deadline, Just Energy shall proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall be administered in accordance with Schedule “A” hereto. The successful bid(s) selected within the Auction shall constitute the “**Successful Bid**”. Forthwith upon determining to proceed with an Auction, Just Energy shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Transaction), along with copies of all Qualified Bids and a statement by Just Energy specifying which Qualified Bid is the leading bid.
12. If, by the NOI Deadline no NOI has been received, then the SISP shall be deemed to be terminated and the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Transaction Agreement. If no Qualified Bid (other than the Stalking Horse Transaction) has been received by Just Energy on or before the Qualified Bid Deadline, then the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Transaction Agreement.
13. Following selection of a Successful Bid, Just Energy, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones set out in Section 6. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by Just Energy, in consultation with the Monitor, Just Energy shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize Just Energy to complete the transactions contemplated thereby, as applicable, and authorizing Just Energy to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (each, an “**Implementation Order**”).
14. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Implementation Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid,

will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Implementation Order or such earlier date as may be determined by Just Energy, in consultation with the Monitor.

15. Just Energy shall provide information in respect of the SISP to the DIP Lenders, the holder of the BP Commodity/ISO Services Claim and the Supporting Secured CF Lenders on a confidential basis, including (A) copies (or if not provided to the Just Energy Entities in writing, a detailed description) of any NOI and any bid received, including any Qualified Bid, no later than one (1) calendar day following receipt thereof by the Just Energy Entities or their advisors and (B) such other information as reasonably requested by the DIP Lenders', the holder of the BP Commodity/ISO Services Claim or the Supporting Secured CF Lenders' respective legal counsel or financial advisors or as necessary to keep the DIP Lenders, the holder of the BP Commodity/ISO Services Claim or the Supporting Secured CF Lenders informed no later than one (1) calendar day after any such request or any material change to the proposed terms of any bid received, including any Qualified Bid, as to the terms of any bid, including any Qualified Bid, (including any changes to the proposed terms thereof) and the status and substance of discussions related thereto. Just Energy shall be permitted, in its discretion, to provide general updates and information in respect of the SISP to counsel to any unsecured creditor of Just Energy (a "**General Unsecured Creditor**") on a confidential basis, upon: (i) the irrevocable confirmation in writing from such counsel that the applicable General Unsecured Creditor will not submit any NOI or bid in the SISP, and (ii) counsel to such General Unsecured Creditor executing confidentiality agreements with Just Energy, in form and substance satisfactory to Just Energy and the Monitor.
16. Any amendments to this SISP may only be made by Just Energy with the written consent of the Monitor and after consultation with the Credit Facility Agent, or by further order of the Court, provided that Just Energy shall not amend Subsections 7(a), (b), (e), (f), (g), (h), (j) or (l) or Section 15 without the prior written consent of the Sponsor and the Credit Facility Agent.

SCHEDULE “A”: AUCTION PROCEDURES

1. **Auction.** If Just Energy receives at least one Qualified Bid (other than the Stalking Horse Transaction), Just Energy will conduct and administer the Auction in accordance with the terms of the SISIP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. **Participation.** Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Transaction (collectively, the “**Qualified Parties**”), shall be eligible to participate in the Auction. No later than 5:00 p.m. Eastern Daylight Time on the day prior to the Auction, each Qualified Party (other than the Sponsor) must inform Just Energy whether it intends to participate in the Auction. Just Energy will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Transaction shall be the Successful Bid.

3. **Auction Procedures.** The Auction shall be governed by the following procedures:

- a. **Attendance.** Only Just Energy, the other counterparties to the Support Agreement, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
- b. **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid (as defined below);
- c. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by Just Energy, in consultation with the Monitor (the “**Initial Bid**”), and any bid made at the Auction by a Qualified Party subsequent to Just Energy’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of USD\$1,000,000;
- d. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that Just Energy, in its discretion, may establish separate video conference rooms to permit interim discussions between Just Energy and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;
- e. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and

- f. **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

Selection of Successful Bid

4. **Selection.** Before the conclusion of the Auction, Just Energy, in consultation with the Monitor, will: (a) review each Qualified Bid, considering the factors set out in Section 7 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction by 90 days after completion of the Auction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, (v) the net benefit to Just Energy and (vi) any other factors Just Energy may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").

5. **Acknowledgement.** The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by Just Energy in its sole discretion, subject to the milestones set forth in Section 6 of the SISP.

Appendix "B"

MONITOR LETTER TO COURT AND SERVICE LIST DATED JUNE 17, 2022



June 17, 2022

VIA EMAIL

The Honourable Justice McEwen
Ontario Superior Court of Justice
330 University Avenue
Toronto, ON
M5G 1R7

Your Honour:

Re: In the Matter of the CCAA proceedings of Just Energy Group Inc. et. al. (the “Just Energy Entities”) - Court File No.: CV-21-00658423-00CL

We act as counsel for FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor in these proceedings.

In the Endorsement dated June 10, 2022 (the “**Endorsement**”), Your Honour ordered a summary litigation process at paragraph 2(vi) therein:

Summary proceedings will be conducted on an expedited basis as soon as reasonably possible, in an effort to determine the validity and value of the claims of the plaintiff class in the U.S. class actions, the Omarali class action, the Texas Power Interruption Claimants and Pariveda Solutions Inc.

At paragraph 2(vii) of the Endorsement, Your Honour ordered the Monitor to forthwith liaise with the relevant parties to determine such process.

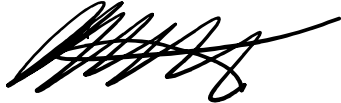
The Monitor has consulted with counsel to the four aforementioned plaintiff groups, the Just Energy Entities and the Plan Sponsor with respect to a potential summary process. However, given the status of the negotiations relating to the structure of the Just Energy Entities’ restructuring in these proceedings, the parties have all agreed that the directed process should be temporarily postponed, pending a determination on the Just Energy Entities’ proposed path forward.

The parties hereby request Your Honour’s indulgence that compliance with the directed process set out in the Endorsement be put in abeyance pending further developments in these proceedings.

Should circumstances change and the directed process be required, we shall forthwith advise Your Honour.

Yours truly,

Thornton Grout Finnigan LLP



Robert I. Thornton

cc: Paul Bishop, Jim Robinson, FTI Consulting Canada Inc.
Marc Wasserman, Michael De Lellis, Jeremy Dacks, Shawn Irving, Osler, Hoskin & Harcourt LLP
Alan Merskey, Ryan Jacobs, Jane Dietrich, Cassels Brock & Blackwell LLP
Ken Rosenberg, Jeffrey Larry, Danielle Glatt, Paliare Roland Rosenberg Rothstein LLP
David Rosenfeld, James Harnum, Koskie Minsky LLP
Harvey Chaiton, Chaitons LLP
Jason Wadden, Tyr LLP

Appendix “C”

**CASH FLOW FORECAST FOR THE 13-WEEK PERIOD
ENDING NOVEMBER 5, 2022**



Weeks Ending (Saturday)		8/13/22	8/20/22	8/27/22	9/3/22	9/10/22	9/17/22	9/24/22	10/1/22	10/8/22	10/15/22	10/22/22	10/29/22	11/5/22	13-Week
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Forecast Week		Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Wk 13	Total
RECEIPTS															
Sales Receipts	[1]	\$61.8	\$65.3	\$74.7	\$64.6	\$61.4	\$60.1	\$77.8	\$68.7	\$70.1	\$66.2	\$62.8	\$74.2	\$50.5	\$858.2
Miscellaneous Receipts	[2]	-	-	-	-	-	-	-	-	7.3	-	-	-	-	7.3
Total Receipts		\$61.8	\$65.3	\$74.7	\$64.6	\$61.4	\$60.1	\$77.8	\$68.7	\$77.4	\$66.2	\$62.8	\$74.2	\$50.5	\$865.5
DISBURSEMENTS															
<i>Operating Disbursements</i>															
Energy and Delivery Costs	[3]	\$9.5	(\$203.7)	(\$44.0)	(\$19.4)	\$2.8	\$5.4	(\$174.7)	(\$55.7)	(\$8.3)	(\$7.9)	(\$163.4)	(\$34.3)	(\$19.0)	(\$712.7)
Payroll	[4]	(4.1)	-	(4.6)	(1.4)	(3.8)	(2.0)	(3.3)	-	(3.4)	-	(2.9)	0.1	(3.8)	(29.2)
Taxes	[5]	(0.1)	(8.6)	(0.5)	(0.1)	(0.0)	-	(4.9)	(0.5)	(0.0)	-	(6.0)	(0.5)	(6.5)	(27.5)
Commissions	[6]	(1.3)	(2.9)	(4.8)	(0.7)	(1.4)	(0.6)	(5.4)	(0.6)	(1.4)	(0.4)	(5.0)	(0.8)	(1.9)	(27.0)
Selling and Other Costs	[7]	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(29.9)
Total Operating Disbursements		\$1.7	(\$217.4)	(\$56.2)	(\$23.8)	(\$4.6)	\$0.6	(\$190.6)	(\$59.1)	(\$15.4)	(\$10.6)	(\$179.6)	(\$37.7)	(\$33.5)	(\$826.3)
OPERATING CASH FLOWS		\$63.5	(\$152.2)	\$18.5	\$40.8	\$56.8	\$60.6	(\$112.8)	\$9.7	\$62.1	\$55.6	(\$116.9)	\$36.5	\$17.0	\$39.2
<i>Financing Disbursements</i>															
Credit Facility - Borrowings / (Repayments)	[8]	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Interest Expense & Fees	[9]	(1.6)	-	-	(1.7)	-	-	-	(8.1)	-	-	-	-	(1.7)	(13.0)
<i>Restructuring Disbursements</i>															
Professional Fees	[10]	(0.1)	(1.2)	(3.0)	(0.8)	(0.8)	(0.7)	(2.1)	(1.0)	(0.6)	(0.6)	(1.0)	(1.3)	(0.9)	(14.0)
NET CASH FLOWS		\$61.7	(\$153.3)	\$15.6	\$38.3	\$56.0	\$60.0	(\$114.9)	\$0.6	\$61.4	\$55.0	(\$117.9)	\$35.2	\$14.5	\$12.2
CASH															
Beginning Balance		\$301.9	\$363.6	\$210.3	\$225.8	\$264.1	\$320.1	\$380.1	\$265.2	\$265.8	\$327.2	\$382.2	\$264.4	\$299.6	\$301.9
Net Cash Inflows / (Outflows)		61.7	(153.3)	15.6	38.3	56.0	60.0	(114.9)	0.6	61.4	55.0	(117.9)	35.2	14.5	12.2
Other (FX)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING CASH		\$363.6	\$210.3	\$225.8	\$264.1	\$320.1	\$380.1	\$265.2	\$265.8	\$327.2	\$382.2	\$264.4	\$299.6	\$314.1	\$314.1
BORROWING SUMMARY															
DIP Facility Credit Limit		\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8	\$158.8
DIP Draws		-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Principal Outstanding		158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8	158.8
DIP Availability		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

1. Sales Receipts include collections from the Company's residential and commercial customers for the sale of energy, which primarily consists of electricity and natural gas, inclusive of sales tax. The sales forecast is based on historical sales patterns, seasonality, and management's current expectations.
2. Miscellaneous receipts reflect forecasted tax refunds and other receipts not sent from customers.
3. Energy & Delivery costs reflect the purchase energy from suppliers and the cost of delivery and transmission to the Company's customers.
4. Payroll disbursements reflect the current staffing levels and recent payroll amounts, inclusive of payroll taxes and any payments associated with the Company's bonus programs.
5. Taxes reflect the remittance of sales taxes collected from customers and the Company's corporate income taxes.
6. Commissions include fees paid to customer acquisition contractors and suppliers.
7. Selling and Other Costs include selling, general, and administrative payments.
8. The Credit Facility Borrowings / (Repayments) show borrowings and repayments under the Company's credit facilities.
9. Interest expenses & fees include interest and fees on the Company's credit and LC facilities.
10. Professional Fees include fees for the Company's counsel and investment banker, the Monitor, the Monitor's Counsel, the DIP lenders' professionals, and fees for Lender Support and Certain Commodity Support Agreements.



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **JUST ENERGY GROUP INC. et al.** (each, an “**Applicant**”, and collectively, the “**Applicants**”)

Court File No. CV-21-00658423-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**ELEVENTH REPORT OF
FTI CONSULTING CANADA INC., IN ITS
CAPACITY AS COURT-APPOINTED MONITOR**

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