

De Sousa, Sierra

From: Koehnen, Mr. Justice Markus (SCJ)
Sent: Wednesday, May 26, 2021 9:01 AM
To: Erickson, Justine; JUS-G-MAG-CSD-Toronto-SCJ Commercial List; Wasserman, Marc; Dacks, Jeremy; Robert Thornton
Subject: Re: In the Matter of Just Energy Group Inc. et al - Court File No. CV-21-00658423-00CL
Attachments: JE - 2nd ARIO 20210526.pdf; JE - Stay Extension 20210526.pdf

Email Endorsement

1. Just Energy seeks four forms of relief today. The relief is unopposed and is supported by the Monitor.
2. I have signed and attached two orders granting the relief sought.
3. The first form of relief is an order extending the stay of proceedings to September 30, 2021. I am satisfied that this is appropriate. The business is complex and requires time to restructure. It has adequate cash flow and financing to see itself through to September 30, 2021 and beyond.
4. The second form of relief is an order postponing the annual shareholder meeting. Courts have made similar orders for such relief in a number of CCAA proceedings. See for example: *Re Cline Mining Corp.*, 2014 ONSC 6998 at paras. 53-55 [Cline]; *Re SkyLink Aviation Inc.*, 2013 ONSC 1500 [Commercial List] at para. 29; *Re Canwest Global Communications Corp.* (2009), 59 C.B.R. (5th) 72 (Ont. Sup. Ct. [Commercial List]) at paras. 53-54 [Canwest]; *Re Nortel Networks Corp.*, [2009] O.J. No. 614 (Sup. Ct. [Commercial List]) at para. 8; *Re Laidlaw Inc.* (2002), 34 C.B.R. (4th) 72, (Ont. Sup. Ct. [Commercial List]) at para. 7 [Laidlaw]; *Re Sears Canada Inc.*, Initial Order. Court File No. CV-17-11846-00CL (Ont. Sup. Ct. [Commercial List]) at para. 54.
5. Postponing the AGM allows management to focus on restructuring rather than on a meeting of shareholders who are likely to have no economic interest in a company that is currently insolvent.
6. The third form of relief is an order authorizing intercompany payments. Just Energy uses a centralized cash management system. Loans exist between its Canadian, American, Hungarian and French entities. The order seeks permission to have the American entity repatriate funds as needed to the Canadian entity to be used as working capital to fund its ongoing operations. Although there is no immediate need for funds within the Canadian entity, if and when such a need arises, the need will be immediate.
7. Although the DIP facility was advanced in the United States, all Just Energy entities are jointly and severally liable for the facility. As a result, repatriation of funds from the American to the Canadian

entity cause no prejudice to the DIP lender.

8. The fourth form of relief involves changes to various definitions in the initial order.
9. Among other things, the changes enable Just Energy to broaden its supply sources, provide increased protection against currency exchange risk and allow new suppliers to terminate their supply agreements thereby incentivizing them to provide new supply without having Just Energy provide financial collateral. These are all that legitimate business objectives which will help facilitate the ultimate resolution of the CCAA proceeding.

Justice Markus Koehnen

Ontario Superior Court of Justice

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