



Ontario
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DECISION AND ORDER

EB-2021-0274 & EB-2021-0291

UNIVERSAL ENERGY CORPORATION

**Application for a Gas Marketer Licence and Application for an
Electricity Retailer Licence**

BY DELEGATION, BEFORE: Brian Hewson
Vice President
Consumer Protection & Industry Performance

February 10, 2022

DECISION AND ORDER

Universal Energy Corporation (Universal Energy) filed a complete application on November 24, 2021, with the Ontario Energy Board (OEB) pursuant to section 50 of the *Ontario Energy Board Act, 1998* (OEB Act), for a gas marketer licence. On December 8, 2021, Universal Energy filed a complete application, pursuant to section 60 of the OEB Act, for an electricity retailer licence.

The OEB combined the applications into one proceeding, under section 21(5) of the OEB Act. This Decision and Order is being issued by Delegated Authority without a hearing under section 6(4) of the OEB Act.

1. THE CCAA PROCEEDING

The OEB was notified and is aware that Universal Energy is among a number of related Just Energy entities that sought and received protection under the *Companies' Creditors Arrangement Act* (CCAA) in Canada and similar protection under the U.S. Bankruptcy Code, as a result of charges arising from the unprecedented winter storm in Texas in February 2021.

The OEB notes that, on February 9, 2022, the CCAA protection was further extended to March 4, 2022, with a view to the Just Energy entities returning to the Court for a "Meeting Order" authorizing the filing of a plan of compromise on or before March 4, 2022. The February 4, 2022 Report of FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor, notes that the Just Energy entities have made significant progress towards the recapitalization of the Just Energy entities and their respective businesses via a plan of compromise, and further states:

The Recapitalization Term Sheet and the Recapitalization Plan are intended to facilitate emergence from the CCAA Proceedings, preserve the going concern value of the business, maintain customer relationships, and preserve employment and critical vendor and regulator relationships – all for the benefit of the Just Energy Entities' stakeholders.

The Monitor also notes that the Just Energy entities are forecast to have sufficient liquidity in order to continue operating in the ordinary course of business during the extension period, and have acted in good faith and with due diligence in the CCAA proceedings since the March 2021 filing of their request for CCAA protection.

2. THE APPLICATIONS

Universal Energy has been licensed as a gas marketer and electricity retailer for many years, including most recently in 2016. In its applications, Universal Energy states that it is not currently actively engaged in gas marketing and electricity retailing, and indicates that decisions regarding any such future activities will only be made following emergence from CCAA protection, at which time Universal Energy will be in a position to determine its short-term and medium-term plans for Ontario. Universal Energy is pursuing its licence applications at this time to maintain the status quo with respect to the Just Energy entities' energy marketing businesses across North America.

Universal Energy states that granting the applications on standard terms and conditions would allow it the flexibility to determine how best to restructure its gas marketing and electricity retail businesses in Ontario in a manner that makes sense to Universal Energy, the Just Energy group and other stakeholders. According to Universal Energy, if the applications are granted there would be no prejudice to any party nor would any consumer protection issues arise. Universal Energy also notes that, since entering CCAA protection, Just Energy entities have renewed 23 regulatory licences in Canada and the United States, including jurisdictions where they are not currently active.

3. DECISION

After considering the evidence, the OEB finds that it is in the public interest to issue a gas marketer licence and an electricity retailer licence to Universal Energy. However, the OEB finds that the licences should be conditioned to require Universal Energy to notify the OEB prior to the commencement of gas marketing or electricity retailing activities or upon a decision being made to not to pursue such activities; specifically:

- Universal Energy must notify the OEB if it intends to resume gas marketing and/or electricity retailing, as applicable, under the authority of these licences, and with that notification must provide the following information:
 - The date gas marketing or electricity retailing will commence;
 - A description of all types of gas marketing or electricity retailing that Universal Energy will use; and
 - Confirmation that the requisite training of its sales representatives has been undertaken.

- Universal Energy must promptly notify the OEB if it has decided to permanently cease gas marketing or electricity retailing, as applicable, under the authority of these licences.

These conditions will allow the OEB to be aware of the resumption or cessation of activities of this licensee on a timely basis.

As matters develop in relation to the CCAA proceeding, the OEB reserves its right to impose additional licence conditions, or to take other actions, as may be required to protect consumers or the market.

IT IS ORDERED THAT:

1. The application for a gas marketer licence is granted, on such conditions as are contained in the attached gas marketer licence.
2. The application for an electricity retailer licence is granted, on such conditions as are contained in the attached electricity retailer licence.

DATED at Toronto February 10, 2022

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance