

DOCKETED

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In accordance with the engagement letter between Just Energy Solutions Inc. and Sotomayor & Associates, LLP, on September 14, 2018, we performed certain audit procedures over the Annual Power Source Disclosure Program of Just Energy Solutions Inc., for the period from January 1, 2017 through December 31, 2017. These procedures, identified in Appendix C of Title 20, California Code of Regulations, Article 5, Electricity Generation Source Disclosure, were performed solely to assist the City in complying with California Public Utilities Code, § 398.1 – 398.5 and Senate Bill 1305.

Paragraph b in §1394 in Title 20 states that Sotomayor shall accomplish the following:

1. Perform the agreed-upon procedures identified in Appendix C of Article 5 in Title 20 and issue a report.
2. The report shall contain a summary of the results of the procedures and proof of service of the annual power content label to consumers.

On October 4, 2018, an agreed-upon procedures report was issued to assist the City in complying with California Public Utilities Code, § 398.1 – 398.5 and Senate Bill 1305 and to address items #1 and #2 listed above.

We performed the agreed-upon procedures, and we found no instances of non-compliance reported on the agreed-upon procedures report.


Sotomayor & Associates, LLP
Pasadena, CA

**JUST ENERGY SOLUTIONS INC.
POWER SOURCE DISCLOSURE PROGRAM**

Report on Applying Agreed Upon Procedures

For the period of January 1, 2017 through December 31, 2017

**Independent Accountants' report on Applying Agreed-Upon Procedures
to Just Energy Solutions Inc. Water and Power, Power Source Disclosure
Program.....1-3**

**Report on Internal Control over Power Source Disclosure Program and
on Compliance and Other Matters based on Agreed-Upon Procedures Performed
in accordance with Government Auditing Standards 4-5**

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES TO JUST ENERGY SOLUTIONS INC.
WATER AND POWER, POWER SOURCE DISCLOSURE PROGRAM

California Energy Commission
Renewable Energy Office
Sacramento, California

We have performed the procedures enumerated below, which were agreed to by the management of Just Energy Solutions Inc., solely to assist Just Energy Solutions Inc. in complying with *Title 20 of the California Code and Regulations, Article 5, Electricity Generation Source Disclosure, Section 1394(b)(1) (Power Source Disclosure Program)* for the period from January 1, 2017 through December 31, 2017. Just Energy Solutions Inc.'s management is responsible for such compliance.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and applicable Government Auditing Standards for attestation engagements issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings:

To perform our procedures we used sampling techniques following the guidance set forth in the AICPA AU Section 350, *Audit Sampling*. In accordance with the instructions of Appendix C of Title 20 of the California Code and Regulations, Article 5, Electricity Generation Source Disclosure, the sample size of purchases was determined using a confidence level of 90 percent, a tolerable deviation of 10 percent and an expected deviation rate of 3 percent and, based upon our assessment of control risks and fraud risks to perform our examination. The purchases and sales of electricity products were reviewed on a test basis for the period January 1, 2017 through December 31, 2017.

The agreed-upon procedures performed and our findings were as follows:

1. Agreed-upon procedure:

Purchases - Review the information used to prepare Schedules 1 and 2 and perform the procedures identified below.

WRegis certificates and metered data for samples selected, and perform the following:

(1) Traced and agreed the facility name, and number from WRegis Certificates, kilowatt hours and the fuel type from the invoice to the monthly supply report.

(2) For Facilities owned by the retail supplier, agreed kilowatt hours with meter readings obtained through ISO.

(3) Confirmed generation date on the invoice to the period reflected on the monthly supply report.

C. Traced and agreed net kilowatt hours purchased reported on Schedule 1 to Schedule 2.

Finding:

No exceptions were noted.

2. Agreed-upon procedure:

Sales - Review the information used to prepare Schedules 1 and 2 and perform the procedures identified below.

A. Agreed total retail sales from the retail usage report to total retail sales shown on Schedule 1.

B. Agreed total retail sales from Schedule 1 to total retail sales shown on Schedule 2.
Confirmed the mathematical accuracy Schedule 2.

Finding:

No exceptions were noted

3. Agreed-upon procedure:

Labels - Obtained annual Power Content Labels for 2017 and perform the procedures identified below.

Calculated fuel and technology mix on Schedule 1 using the equation found in subdivision (c)(1)(C) of section 1393. Compared calculated percentages to percentages reported on the annual label.

Finding:

No exceptions were noted

Sotomayor & Associates, LLP

Sotomayor & Associates, LLP

Pasadena, CA

October 4, 2018

REPORT ON INTERNAL CONTROL OVER FINANCIAL STATEMENTS
PROGRAM AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AGREED UPON PROCEDURES
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Just Energy Solutions Inc.
6 Centerpointe, Suite 750
La Palma, CA 90623

We have performed agreed-upon procedures over the Annual Power Source Disclosure Program of Just Energy Solutions Inc. for the period January 1, 2017 through December 31, 2017 and have issued our report thereon dated October 4, 2018. We conducted our agreed-upon procedures engagement in accordance with auditing standards generally accepted in the United States of America and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over the annual power source disclosure program

In planning and performing our engagement, we considered Just Energy Solutions Inc.'s internal control over the annual power source disclosure program as a basis for designing our procedures to assist Just Energy Solutions Inc. in compliance with California Public Utilities Code § 398.1 – 398.5 and Senate Bill 1305, but not for the purpose of expressing an opinion on the effectiveness of Just Energy Solutions Inc.'s internal control over the annual power source disclosure program. Accordingly, we do not express an opinion on the effectiveness of Just Energy Solutions Inc.'s internal control over the annual power source disclosure program.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Annual Power Source Disclosure report will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We performed the attestation engagement based on the application of agreed upon procedures which is solely to assist Just Energy Solutions Inc. in compliance with the California Public Utilities Code § 398.1 – 398.5 and Senate Bill 1305. The results of our tests disclosed *no instances* of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the city's internal control or on compliance. This report is an integral part of the agree upon procedures performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sotomayor & Associates, LLP

Pasadena, CA

October 4, 2018