

New Jersey Residential and Small Commercial Electricity Terms of Service

This is an agreement for electric supply service between National Gas & Electric, LLC (National Gas & Electric) and you, for the service address or addresses set forth in your Welcome Letter or Electric Service Supply Agreement. Together, this Third Party Supplier Contract Summary (CS), including the terms of service set forth herein, and your Welcome Letter or Electric Service Agreement (ESA) collectively describe your agreement as our customer with respect to your purchase of electric supply service from National Gas & Electric (Agreement). You will be bound by all the provisions of the Agreement, which may be amended from time to time. National Gas & Electric is licensed as a Third Party Supplier (TPS) by the New Jersey Board of Public Utilities to offer and supply electric supply service in New Jersey. We set the supply prices and charges that you pay. Your Local Distribution Utility (utility) will deliver the electricity to you. The Board of Public Utilities (BPU) regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

Definitions

- Local Distribution Utility (utility) – A gas or electric corporation owning, operating or managing electric or gas facilities for the purpose of distributing gas or electricity to end users.
- Generation Charge – Charge for production of electricity.
- BPU – the New Jersey Board of Public Utilities.
- Pennsylvania-New Jersey-Maryland Interchange (PJM) – The independent entity that operates the bulk transmission system in New Jersey.
- Transmission Charge – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.
- TPS Contract Summary (CS) – A one-page summary of the details of this Agreement including rate, fees, term, rescission process, early termination fee, and renewal.

Residential Customer Rights: Residential customers will receive confirmation notice from the utility of their choice to switch to National Gas & Electric, and they may contact the utility to rescind this Agreement within seven (7) calendar days from the date of the utility's confirmation notice of the switch. This Agreement is not legally binding on customer until the 7-day period has expired and the customer has not rescinded their selection of National Gas & Electric as their electricity supplier.

Terms of Service

1. Basic Service Prices.

Your rate plan will be as specified in your CS.

Fixed Rate Plan: You will pay the fixed rate per kWh as specified in your CS or Electric Supply Service Agreement for the length of your Term. You may also pay a monthly administrative fee, the amount of which, if applicable, is disclosed in your CS or Electric Supply Service Agreement.

Immediate Savings Plan: For the first two months of your plan, you will receive a specified percentage savings (shown in your CS) off of the utility's base energy rate for electricity supply. Thereafter, you will receive National Gas & Electric's standard variable rate which will vary according to market conditions. You may also pay a monthly administrative fee, the amount of which, if applicable, is disclosed in your CS or Electric Service Agreement.

Variable Rate Plan: A month-to-month plan where your rate may vary according to market conditions.

The rate you pay National Gas & Electric will include the Generation Charge and Transmission Charge. Your price includes applicable New Jersey sales and use taxes imposed by New Jersey State Tax Law. You are responsible for any and all additional taxes (which can be passed through to you on the Utility's bill as a separate line item as required by law, rule or regulation) and utility charges for delivery and distribution services. Except as otherwise provided in this Agreement or as required by law, all taxes of whatsoever kind, nature and description, that are due and payable with respect to your purchase of electricity from National Gas & Electric under this Agreement will be paid by you. If you are a tax-exempt entity, you must provide National Gas & Electric with the necessary certificates and other documentation to qualify for such tax-exempt status.

2. Billing. Your utility will continue to issue you a monthly bill with the same payment due date. This bill will include both your Transmission Charge and your Generation Charge from the utility, and any other charges incurred in accordance with this Agreement. Bills will continue to be based on actual or estimated meter readings. Unless your charges for electricity otherwise provided herein, your payment terms and late payment penalties will be governed by the terms of the utility's tariff. National Gas & Electric does not pay or arrange for the payment of any outstanding debts owed by you to the utility or a previous electric supplier.

3. Length of Agreement (Term). The Term of this Agreement is shown on your CS. With the exception of a new meter installation or special meter reading date, you will buy your electric supply service for the service addresses set forth in your Welcome Letter or Electric Service Agreement from National Gas & Electric on the next regularly scheduled meter reading date available and will continue to do so for the entire Term. National Gas & Electric will provide you with at least 30 days' notice prior to the end of the Term informing you of the Agreement end date. This Agreement shall remain in effect for the full Term or until you notify National Gas & Electric in writing or by phone of your intent to cancel at least 30 days' prior to your requested end date and until such time as the utility completes the termination in accordance with its rules. Upon expiration of the Term, if you do not provide verification of renewal or cancellation, this Agreement will continue on a month-to-month basis under the same terms and conditions, including pricing.

4. Penalties, Fees and Exceptions.

You may be assessed an early termination fee if you cancel or terminate this Agreement prior to the end of the Term. If an early termination fee is applicable, the amount of the early termination fee will be specified in your TPS Contract Summary, Welcome Letter or Electric Supply Service Agreement.

Notwithstanding the foregoing, you may cancel this Agreement without penalty if you move to another location and provide a forwarding address and, if required, reasonable evidence that you no longer occupy the service address. You will be responsible for amounts due, up to the switch date, of all outstanding charges incurred prior to cancellation by you. For residential customers, there is no penalty to start or stop service from National Gas & Electric, if done within the terms of this Agreement.

If you default in the prompt payment of amounts due under this Agreement, you will be liable for any and all fees or charges, including reasonable attorney fees and court costs, incurred in connection with the collection of delinquent balances. National Gas & Electric may use the services of debt collection agencies, consumer reporting agencies, and other remedies as allowed by law to collect any unpaid balances on your account.

5. Cancellation Provisions. Residential customers may cancel this Agreement without any penalty any time before midnight of the seventh calendar day after the date of the confirmation notice from the utility of your enrollment. Otherwise, you may cancel this Agreement at any time by calling National Gas & Electric at 1-888-442-0002, but you will be required to pay any early termination fee described in Section 4 above, if applicable. If you are a residential customer, with 48 hours' notice you may cancel this Agreement without penalty as a result of relocation, or if disability renders you unable to pay for service, or upon your death. If you request to cancel this Agreement, the cancellation will not take effect until the next actual meter read date following the date National Gas & Electric notifies your utility. You will be responsible for all payments due hereunder until the cancellation of your electric supply service is completed. If for any reason National Gas & Electric is no longer able to economically continue this Agreement, National Gas & Electric may terminate this Agreement at any time with at least thirty (30) calendar days' notice to you after complying with applicable regulations. This Agreement may be cancelled at the sole discretion of National Gas & Electric if you fail to meet any of the terms and conditions of this Agreement or if any of the information you have provided to National Gas & Electric is or becomes untrue. Residential customer contracts will not be terminated if charges are in dispute, all undisputed charges are paid, and the parties agree to resolve the dispute within 30 days of the date when the residential customer notified National Gas & Electric of the dispute. National Gas & Electric may terminate residential service by the next meter reading following such 30 days' notice. National Gas & Electric will not terminate residential service due to non-payment of optional services.

If this Agreement is canceled, expires, or otherwise terminated, you will receive uninterrupted service from the utility until you designate another provider of electric supply service or your service is shut off by the utility. Only the utility may shut off your electric power.

6. Agreement Expiration/Change in Terms. If you have a fixed term agreement with National Gas & Electric and it is approaching the expiration date, we will send you advance notice either in your bill or in a separate mailing at least 30 days' before the expiration date. We will explain your options in this advance notice and we will follow your instructions. If you do not respond to the notice, at our discretion, we may renew your electric supply service month-to-month under the same terms and conditions, including pricing.

If we propose to change our terms of service, National Gas & Electric will provide written notice to you of any material change to this Agreement at least 30 days prior to the date any such change becomes effective. Upon receipt of written notice of a material change, you may terminate this Agreement without penalty prior to the date such change becomes effective.

7. Information Release and Authorization. By accepting this contract, I authorize National Gas & Electric to obtain information from the utility through the Term of this Agreement, including, but not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electricity usage, rate classification, meter readings, characteristics of electricity service, and billing and payment information from the Utility when charges under this Agreement are included on my Utility bill. I authorize National Gas & Electric to release that information to third parties who need to use or be aware of such information in connection with my electric supply service as well as to its affiliates and subcontractors for marketing purposes. These authorizations shall remain in effect as long as this Agreement (including any renewal) is in effect. I may rescind these authorizations at any time by either calling National Gas & Electric at 1-888-442-0002 or providing written notice to National Gas & Electric. National Gas & Electric reserves the right to reject my enrollment or terminate the Agreement if I rescind these authorizations. If I fail to meet or maintain satisfactory credit standing as determined by National Gas & Electric, if I fail to meet minimum or maximum threshold electricity consumption levels as determined by National Gas & Electric, or if I fail to remit payment in a timely fashion, National Gas & Electric may report the delinquency to a credit reporting agency.

8. Dispute Procedures. Please contact us by any of the means provided at the bottom of these Terms and Conditions with any questions concerning our terms of service or your bill. You may contact the New Jersey BPU to file a complaint if you are not satisfied after discussing your questions or concerns with us.

9. Warranties. YOU REPRESENT AND WARRANT THAT YOU DO NOT HAVE ANY EXISTING PAST DUE BALANCE WITH YOUR UTILITY OR ANOTHER ELECTRICITY SUPPLIER THAT WOULD RENDER YOU INELIGIBLE FOR CONSOLIDATED BILLING BY YOUR UTILITY. NATIONAL GAS & ELECTRIC MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH REGARD TO THE PROVISION OF ELECTRIC SUPPLY SERVICE AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

10. Limitation of Liability. You will be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the electric power after receipt at the delivery point or points. NATIONAL GAS & ELECTRIC WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES), WHETHER BY STATUTE, IN CONTRACT OR TORT, EVEN IF THE RESULT OF NEGLIGENCE OF NATIONAL GAS & ELECTRIC (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE). ALL LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY. YOU HEREBY WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT. Any damages required to be paid hereunder are deemed to be liquidated damages because exact direct actual damages are difficult or impossible to determine, obtaining an adequate remedy is inconvenient or impossible, and the liquidated damages constitute a reasonable approximation of the harm or loss and therefore should not be construed to or interpreted to be as a penalty.

11. Mandatory Arbitration. Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise (Claim), arising out of or relating to this Agreement or the relationships among the parties hereto shall be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association (AAA), under the AAA Commercial or Consumer rules, as applicable, in effect at the time the Claim is filed (AAA Rules). Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award. Any such suit may be brought only in Federal District Court for the District, or if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement, including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver".

12. Class Action Waiver. Any Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding (Class Action). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any entity or person not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

13. Miscellaneous.

(a) National Gas & Electric will not assess a charge to a residential customer for starting or stopping service, if done within the terms of this Agreement. This provision does not prohibit an early termination fee or penalty for failure to adhere to this Agreement.

(b) If National Gas & Electric is rendered unable to perform, in whole or in part, by a Force Majeure event, its performance under this Agreement will be excused for the duration of such event. The term "Force Majeure" means any act or event that is beyond the reasonable control of National Gas & Electric that adversely affects, interrupts, or precludes its performance. In addition, acts of other parties, including without limitation, PJM, RTOs, aggregators, other TPSs, qualified scheduling entities, utilities, any governmental authority, and the respective employees and agents of such parties, will also be deemed to be events of Force Majeure.

(c) Energy delivery shall continue to be provided by your utility. You should contact your utility in the event of a power outage or emergency. Your electric supply service will be provided in accordance with your existing connection requirements unless you request a change by the utility and pay for the cost of that change. You may not resell or use any electric power provided under this Agreement as an auxiliary or supplement to any other source of power. The supply of electric power under this Agreement will be measured at the delivery point by the utility providing the delivery service in accordance with the terms of their applicable tariff for electric generation service. National Gas & Electric and you will be bound by the measurement from the meters owned, installed, maintained and read by the utility.

(d) This Agreement will be governed by, interpreted, construed and enforced in accordance with the laws of the State of New Jersey, without regard to principles of conflicts of laws.

(e) A wet or faxed signature on an Electric Service Agreement is an agreement to initiate service and begin enrollment with National Gas & Electric. These Terms of Service, along with your Welcome Letter or Electric Service Agreement, constitute the entire agreement between you and National Gas & Electric relating to the subject matter hereof and supersede any other agreements, written or oral, between you and National Gas & Electric concerning the subject matter of the Agreement.

(f) You may not assign this Agreement or your obligations under this Agreement without National Gas & Electric's prior written consent. National Gas & Electric may assign this Agreement, together with all rights and obligations hereunder, to (i) National Gas & Electric's electricity supplier, or such supplier's designee, (ii) an affiliate of National Gas & Electric or to any other person succeeding to all or substantially all of National Gas & Electric's assets, or (iii) in connection with any financing or other financial arrangement.

(g) Any failure by National Gas & Electric to enforce any term or condition of your electric supply service or otherwise exercise any right it may have under this Agreement shall not be deemed a waiver of any rights to thereafter enforce any or all of the terms or conditions of your service or to exercise rights under this Agreement.

(h) Should any provision of this Agreement for any reason be declared invalid or unenforceable by final and applicable order by a court or any regulatory body having jurisdiction, such decisions shall not affect the validity of the remaining portions, and the remaining portions shall remain in effect as if this Agreement had been agreed to without the invalid portion. If any provision of this Agreement is declared invalid, the remainder of this Agreement will be construed so as to give effect to its original intent and effect as near as possible.

(i) The provisions of this Agreement concerning payment, limitation of liability, waivers, arbitration, and waiver of class actions will survive the termination or expiration of this Agreement.

14. Contact Information. Please see below.

Third Party Supplier:

National Gas & Electric, LLC
12140 Wickchester Lane, Suite 100
Houston, TX 77079
1-888-442-0002
BPU License #: ESL-0244
www.NGandE.com
Hours of Operation: Monday through Friday (except holidays),
7:00 a.m. to 4:00 p.m., Central Standard Time

Local Distribution Utility

Jersey Central Power & Light
101 Crawfords Corner Rd. Ste. 1
Holmdel, NJ 07799
1-800-662-3115
www.firstenergycorp.com

In the case of an outage, call:

1-888-544-4877

BPU Division of Consumer Relations:

New Jersey Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102
1-800-624-0241
www.state.nj.us/bpu