

## DISCLOSURE STATEMENT AND TERMS OF SERVICE

This is an agreement for electric generation 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 Agreement. Together, the terms of service set forth herein, your Contract Summary, and your Welcome Letter or Enrollment Form (collectively the "Agreement" or the "Contract"). You will be bound by all the provisions of the Agreement, as they may be amended from time to time. National Gas & Electric is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity supply services in Pennsylvania. Our PUC license number is A-2015-2517744. We set the electric generation prices and charges reflected in the charges that you pay for your electricity purchased from us. Your Electric Distribution Company ("EDC") will deliver the electricity to you. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission ("FERC") regulates transmission prices and services.

### Definitions

- Electric Generation Supply ("EGS") Charges – The charges for basic electricity supply service which is sold per kilowatt hour ("kWh"). EGS charges under this Agreement shall include estimated total state taxes, but will not include State Sales Tax and county tax.
- Electric Distribution Company ("EDC") Charges – The charges for the delivery of electricity from the point of receipt into the Electricity Distribution Company's (EDC's) system charged by the EDC.
- Small Business Customer – The term refers to a person, sole proprietorship, partnership, corporation, association or other business entity that receives electric service under a small commercial, small industrial or small business rate classification, and whose maximum registered peak load was less than 25 kW within the last 12 months.
- Electric Distribution Company ("EDC") – The public utility providing facilities for the distribution of electricity to retail customers.
- Electric Generation Supplier ("EGS") – The company that sells electricity and related services to the end use customers utilizing the jurisdictional transmission or distribution facilities of an electric distribution company.
- Generation Charge – Charge for production of electricity.
- Public Utility Commission ("PUC") – the Pennsylvania Public Utility Commission.
- Transmission Charge – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Right of Rescission - You may rescind this Agreement at any time before midnight of the third business day after receiving this Agreement** by calling us at 888-442-0002, email: [Service@NGandE.com](mailto:Service@NGandE.com), or in writing at 12140 Wickchester Lane, Suite 100, Houston, TX 77079.

### Terms of Service

#### 1. Basic Service Prices.

Your rate plan will be as specified in your Contract Summary.

*Fixed Rate Plan:* You will pay the fixed rate of **5.99¢** per Kilowatt hour ("Kwh") for the length of your Term.

| Average Monthly Use   | 500 kWh          | 1000 kWh         | 2000 kWh         |
|-----------------------|------------------|------------------|------------------|
| Average Price per kWh | \$0.0599 per kWh | \$0.0599 per kWh | \$0.0599 per kWh |

*Variable Rate Plan:* If you have not entered into a new Fixed Rate Plan before the end of the Term, the Agreement will automatically convert into a Variable Rate Plan that will commence upon the expiration of your Fixed Rate Plan. The Variable Rate Plan is a month-to-month plan where your rate for electricity will be established according to numerous factors, which include but are not limited to the fluctuation of wholesale commodity costs or components of wholesale prices (including but not limited to the fluctuation in energy supply and demand, and weather patterns), capacity related costs, and National Gas & Electric's pricing strategy. Wholesale commodity costs include basic commodity rates and the cost of distributing the electricity to the local delivery location, also known as basis. You will be notified of any change in price of the variable rate when you receive your monthly bill. Variable rate plan customers may obtain the 24 months average monthly billed prices by rate class and EDC service territory by calling 888-442-0002 or email: [Service@NGandE.com](mailto:Service@NGandE.com). **Please note that historical pricing is not indicative of present or future pricing, and there is no limit on how much the price may change from one billing cycle to the next under variable rate pricing.**

National Gas & Electric's EGS supply charges include estimated total state taxes, but exclude State sales tax or County tax. You are responsible for paying any and all taxes (whether passed through to you on your EDC's bill as a separate line item or as part of the price of electricity, as required by law, rule or regulation) and your EDC 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, due and payable with respect to your performance of your obligations under this Agreement, will be paid by you. If you are a tax-exempt entity, you must provide National Gas & Electric with the necessary tax exemption certificates and other documentations to qualify for such status.

**2. Billing.** Your EDC will continue to issue a monthly bill and the bill will include both your Delivery (EDC) Charge and your Electricity (EGS) Charge as well as any other charges incurred in accordance with this Agreement. Bills will continue to be based on actual or estimated meter readings. National Gas & Electric will use the same meter reading information from the EDC to calculate your Electricity Charges that we provide to your EDC for billing purposes. Unless otherwise provided herein, your payment terms will be governed by the terms of the EDC's tariff. National Gas & Electric does not pay or arrange for the payment of any outstanding debts owed by you to the EDC or previous Electricity Supplier (EGS).

**3. Length of Agreement (Term).** The Term of this Agreement is **3 Months months**. You will buy your electricity generation supply service for the service address or addresses set forth in your Welcome Letter or Enrollment Form from National Gas & Electric on the next regularly scheduled meter reading date available and will continue to do so for the entire Term, with the exception of a new meter installation or special meter reading date. **You have three (3) business days after receipt of this Agreement and Disclosure Statement to accept or decline this Agreement.**

#### **4. Penalties, Fees and Exceptions.**

**If you cancel or terminate this Agreement for a Fixed Rate term prior to the end of the Term, you will pay an early termination fee ("ETF") of \$0.00. Early Termination Fees do not apply to Variable Rate Plans.**

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. 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.** You may cancel this Agreement without any penalty any time before midnight of the third business day after you receive this Contract Summary, Disclosure Statement and Terms of Service. After such third business day, you may cancel this Agreement at any time by calling National Gas & Electric, but you will be required to pay the early termination fee ("ETF") described above, if applicable. You will be responsible for all payments due hereunder until the cancellation of Electricity 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 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. If this Agreement is canceled, expires, or otherwise terminated, you will receive uninterrupted service from the EDC until you designate another provider of electricity supply service or service is shut off by the EDC. Only the EDC may shut off your electricity supply.

**6. Agreement Expiration/Change in Terms. THIS CONTRACT WILL AUTOMATICALLY RENEW AS A VARIABLE RATE PLAN AS DESCRIBED IN THIS SECTION. IN ORDER TO CANCEL THIS CONTRACT BEFORE AN AUTOMATIC RENEWAL OF THIS CONTRACT, PLEASE NOTIFY US IN WRITING OR BY PHONE AS DESCRIBED IN THIS SECTION.**

If your fixed duration contract is approaching the expiration date, or whenever we propose to change the terms of service, you will receive two separate written notifications, the first approximately 60-75 days in advance and the second 45 days in advance of either the expiration date or effective date of the proposed changes. These notifications will explain your supply options going forward. Upon receipt of written notice of a material change, you may terminate this Agreement without penalty prior to the date such change becomes effective. If you do not respond to notices of expiration, you will automatically renew on a month-to-month Variable Rate Plan until you (i) select another offer from National Gas & Electric, (ii) enroll with another NGS, or (iii) return to the default service provider. You will be notified of any change in price of the variable rate when you receive your monthly bill.

**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 Contract, 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 when charges under this agreement are included on my Utility bill or other billing and payment information from the Utility. I authorize National Gas & Electric to release such information to third parties who need to use or be aware of such information in connection with my electricity supply service as well as to its affiliates and contractors 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 remit payment in a timely fashion, National Gas & Electric may report the delinquency to a credit reporting agency

**8. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**9. Warranties. UNLESS AND TO THE EXTENT EXPRESSLY REQUIRED BY APPLICABLE LAW, NATIONAL GAS & ELECTRIC MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH REGARD TO THE PROVISION OF ELECTRICITY 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 electricity supplied to you 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 (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE). ALL LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE YOUR SOLE AND EXCLUSIVE REMEDY. YOU HEREBY WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.** To the extent any damages required to be paid hereunder are liquidated, the parties acknowledge that the liquidated damages are not intended to be and shall not be construed as a penalty, are difficult or impossible to determine, obtaining an adequate remedy otherwise is inconvenient or impossible, and constitute a reasonable approximation of the harm or loss.

**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](http://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 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 in which you are located, 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 actions contemplated in Paragraph 12. entitled “Class Action Waiver” below.

**12. Class Action Waiver.** Any Claim permissible herein must be brought in the party’s individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding (“Class Action”). Each of the parties expressly waives 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 INDIVIDUALLY OR 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) 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, aggregators, other NGSs, qualified scheduling entities, EDCs, any governmental authority, and the respective employees and agents of such parties, will also be deemed to be events of Force Majeure.

(b) Your electric generation service will be provided in accordance with your existing connection requirements unless you request a change by the EDC 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 EDC providing the delivery service in accordance with the terms of the 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 EDC.

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

(d) These Terms of Service, along with your Contract Summary and 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. In the event that there is any change in law as a result of new legislation or changes in existing orders, rules, and regulations that cause a material change of the terms and conditions of this Agreement, National Gas & Electric will provide you with two (2) separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain your options going forward. Upon receipt of written notice of a material change, you may terminate this Agreement without penalty prior to the date such change becomes effective.

(e) National Gas & Electric may assign, subcontract or delegate all or any part of our rights and/or obligations under this contract, including your payment obligations under the Contract with thirty (30) days notice. You may not assign any of your rights or obligations under this contract without our written consent.

(f) Any failure by National Gas & Electric to enforce any term or condition of your electricity 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.

(g) 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.

(h) 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.** Information regarding National Gas & Electric's electricity sources, energy efficiency, environmental impacts, or historical billing data is available upon request. Residential customers and small commercial customers are entitled to receive at no charge and at least once a year, historical billing data from whomever reads their meter for billing purposes.

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| Electric Generation Supplier:                            | <b>National Gas &amp; Electric, LLC</b><br><b>12140 Wickchester Lane, Suite 100</b><br><b>Houston, TX 77079</b><br><b>1-888-442-0002</b><br><b>PA License No.: A-2015-2517744</b><br><b>www.NGandE.com</b><br><b>Hours of Operation: Monday through Friday (except holidays),</b><br><b>8:00 a.m. to 5:00 p.m., Eastern Standard Time</b> |
| Electric Distribution Company & Provider of Last Resort: | PPL Electric Utilities<br>827 Hausman Road<br>Allentown, PA 18104<br>1-800-342-5775<br><a href="http://www.pplelectric.com">www.pplelectric.com</a>   |
| In the case of an outage, call:                          | 1-800-841-4141  |
| Public Utility Commission:                               | Pennsylvania Public Utility Commission<br>P.O. Box 3265<br>Harrisburg, PA 17105-3265  |
| Utility Choice Hotline:                                  | 1-800-692-7380  |

Low Income Assistance Programs. The Low-Income Home Energy Assistance Program (LIHEAP) offers help if you're struggling to pay your home heating bills. LIHEAP is funded by the federal government and administered by the Pennsylvania Department of Public Welfare. The program provides cash grants to help families with heating bills and crisis grants to help families that are at risk of losing their power or coping with heating emergencies, like equipment breakdowns. For more information about the program, call your county agency or the LIHEAP hotline at 1-866-857-7095 from 8 a.m. to 5 p.m. Monday through Friday. Your EDC may provide other payment assistance programs. Call PECO at 1-888-480-1533 to discuss other payment arrangements available to you.

Information about shopping for a gas supplier is available at [www.PaGasSwitch.com](http://www.PaGasSwitch.com) or other successor media platform as determined by the Commission., **BY CALLING THE COMMISSION'S TELEPHONE NUMBER AT 1-800-692-7380, AND AT [WWW.OCA.STATE.PA.US](http://WWW.OCA.STATE.PA.US).**

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## Pennsylvania Residential and Small Commercial Contract Summary and Terms of Service

### CONTRACT SUMMARY

|   |  |
|---|--|
| Electric Generation Supplier Information  | <p><b>National Gas &amp; Electric, LLC</b></p> <p><b>12140 Wickchester Lane, Suite 100, Houston, TX 77079</b></p> <p><b>Phone Number: 1-888-442-0002 Email: <a href="mailto:Service@NGandE.com">Service@NGandE.com</a></b></p> <p><b>National Gas &amp; Electric, LLC is an electric generation supplier ("EGS") that is responsible for generation charges.</b></p> |
| Price Structure                           | Your contract price is fixed for the length of the initial time period covered by the contract (the "Term").   |
| Generation/Supply Price                   | 5.99¢ per kWh.   |
| Statement Regarding Savings               | The electric generation supply price offered by National Gas & Electric may not always provide savings to the customer.  |
| Deposit Requirements                      | N/A  |
| Incentives                                | There are no offers currently available.   |
| Contract Start Date                       | We will begin supplying electricity to your account as soon as the EDC processes your enrollment.  |
| Contract Term/Length                      | 3 Months months  |
| Cancellation/Early Termination Fees       | <p><b>The contract includes the following fee for early cancellation or early termination of the contract before expiration of the Term:</b></p> <p><b>(1) Residential customers - \$ 0.00</b></p> <p><b>(2) Small Commercial Customers - \$ 0.00</b></p>  |
| Renewal Terms                             | If your fixed term contract is approaching the expiration date, or whenever we propose to change the terms of service in the contract, you will receive two separate written notifications that precede either the expiration date or effective date of the proposed changes. These notifications will explain your supply options going forward.                    |
| Electric Distribution Company Information | <p style="text-align: center;">PPL Electric Utilities<br/>827 Hausman Road<br/>Allentown, PA 18104<br/>1-800-342-5775<br/><a href="http://www.pplelectric.com">www.pplelectric.com</a></p> <p><b>Your EDC is responsible for distribution charges. In cases of emergencies relating to your service, such as a power outage, please call your local EDC</b></p>      |

Your EDC is responsible for distribution charges. In cases of emergencies relating to your service, such as a power outage, please call your local EDC: