

**General Terms and Conditions
(and Notice of Appointment of Agent)
For Residential & Small Business Customers**

1. Key Defined Terms. Agreement: Collectively, the Customer Agreement (the Commerce Energy website and/or the welcome letter emailed to you when you sign this Agreement) and General Terms and Conditions. **Customer:** A Customer that uses less than 150,000 kWh annually or is otherwise accepted by Commerce Energy to qualify under this Agreement. **Customer:** The account holder named on the Customer Agreement. Also referred to as "I", "my", "you", "your". **Energy/Electricity:** the electricity we supply to your Location. **Future Use:** Our reasonable calculation of your anticipated Energy consumption for the remainder of the Term. **Location:** each natural gas account(s) on the Customer Agreement and any attached schedule relating to your premises; each is a separate "Location" bound by this Agreement. **Price:** The Electricity Price listed on the Customer Agreement. **Small Business Customer:** A Customer that uses less than 150,000 kWh annually or is otherwise accepted by Commerce Energy to qualify under this Agreement. **Utility:** Your local distribution utility.

2. Appointment of Agent. You give us the exclusive right to act as agent on your behalf in making all supply and delivery arrangements with your Utility and others in order to provide your Electricity requirements to your Location. You agree, now and throughout the Term, that you: (a) are not, and will not be, bound by an agreement for your Location with an Energy supplier other than us; and (b) will not cancel or modify our appointment as your exclusive agent. Notwithstanding any other clause contained herein, this Agreement shall not be legally binding until the 14-day confirmation period has expired, and you have not directly or indirectly rescinded your decision to appoint us as your agent.

3. Acceptance, Verification. This Agreement takes effect when you sign it and is conditional upon our acceptance of it. Our acceptance of this Agreement is at our sole discretion and depends, in part, on whether: (a) your Utility accepts our request to enroll you; (b) we can verify your information by recorded phone call (or other means acceptable to us); (c) you are creditworthy and (d) you are not already enrolled with us (existing customers cannot enter into this Agreement except pursuant to a re-contract, as reflected by a capital letter "R" in the upper right corner of the Customer Agreement). You consent to the recording of phone calls related to this Agreement.

4. Term. The Term of this Agreement begins on the "Start Date" and expires on the "End Date" **Start Date:** the day we begin supplying Energy to your Location under this Agreement. If you are a new Customer, it will be between 15 and 120 days from signing. If you are an existing Customer (and this is a re-contract), it is the day following the end of your current agreement with us. You understand that the Start Date may be delayed (for reasons such as the Agreement being improperly completed, not submitted to Commerce Energy, not implemented by your Utility, etc.) at our sole discretion. **End Date:** our last day of Energy supply to your Location (it will be up to 5 years from the Start Date, depending on the Term you chose), plus any time needed to obtain a final meter read. A new Term will begin if you choose the Blend & Extend Option or if this Agreement is renewed.

5. RENEWAL. SUBJECT TO GOVERNING LAW, WE CAN RENEW THIS AGREEMENT WITH NEW OR REVISED TERMS. WE WILL SEND YOU WRITTEN NOTICE AT LEAST 30 DAYS BEFORE THE END OF THE TERM. THE NOTICE WILL SPECIFY THE DATE BY WHICH YOU MUST ADVISE US YOU DO NOT WANT TO RENEW. IF YOU DO NOT ADVISE US BY THE SPECIFIED DATE, THIS AGREEMENT WILL RENEW IN ACCORDANCE WITH THE NOTICE. IF AN AFFIRMATIVE WRITTEN SIGNATURE IS NOT OBTAINED FOR A RENEWAL OF A RESIDENTIAL CONTRACT, THE EXISTING CONTRACT SHALL CONTINUE ON A MONTH TO MONTH BASIS.

6. Charges under this Agreement. We will supply you with Electricity. You agree to pay the related charge(s) plus taxes and surcharges, however the Electricity Price includes 7% New Jersey Sales and Use Tax. **6.1 Electricity Charge.** Your electricity consumption multiplied by your Electricity Price. **6.2 Billing Fee.** If we are charged a billing fee from your Utility as a cost for billing you, we will pass it through to you. It may be subject to change. In addition, you agree to pay all additional energy charges billed by your utility, including but not limited to delivery, transmission, societal benefits charges, or generation charges. **6.3 Taxes.** You will pay lawful taxes and surcharges that may apply to the charges. This may include a gross receipts surcharge imposed on us by New Jersey State and/or local municipalities that we pass through to you. There is no charge for starting or stopping electric generation service, if done within the terms of the contract.

7. Billing, Payment. Your Utility will normally bill you on our behalf, but we have the right to bill you directly. If you do not pay all amounts on your bill by the stated due date, then you will be charged a late payment fee, currently set at 1.5% per month.

8. Blend & Extend Option. You can request this option if, in the future, your Price for Energy differs from the Commerce Energy posted price being offered to new residential and small business customers. To qualify, your Term must be at least 3 years and your request must be made at least 6 months prior to the End Date. If we accept your request, we will offer you a new blended Price (based on a weighted average of your Price and the future posted price) and a new Term. All terms of this Agreement except for the Price and Term will remain the same. You can request this option once per Location in any 5 year period. Contact us for details.

9. Ending this Agreement Early, Default. If this Agreement ends early, for any reason, you must still pay all amounts charged to you up to the early end date. **Your Right to Cancel:** You may rescind this contract within 14 calendar days from date of the confirmation letter notifying you of your choice of Commerce Energy as your electricity supplier. In addition, you are permitted to terminate this Agreement at any time during the Term without penalty. **Our Right to Cancel:** We can end this Agreement, at no cost to us, if: (i) required/allowed by law; (ii) the Utility is unable to service your Location; (iii) a legislative or regulatory change materially alters our ability to profitably

perform this Agreement; (iv) you move; or (v) you fall into "Default". You will be given 30 calendar days prior notice of termination and an opportunity to remedy the termination condition. You will be in Default if you (a) breach a term of this Agreement or your Utility's rules; or (b) switch to another energy supplier, including the Utility.

11. Customer Information, Credit Review. You authorize us to access, use and update information about you (including contact, billing and credit history, and consumption information), and to obtain it from and provide it to your Utility and our service providers. Our supply of Energy to you may depend on your credit worthiness. We are not obligated to accept, or continue performing, this Agreement if you do not meet our credit requirements. You may cancel our right to obtain or use your information at any time but, if you do, we have the right to end this Agreement. We, our affiliates and business partners can use your information to communicate with you about other products and services.

12. Limitation of Liability. Our liability under this Agreement is limited to direct actual damages. We are not liable for incidental, consequential, punitive, or indirect damages, lost profits or lost business or for any act or omission of your Utility.

13. Consumer Protections. Residential Customers enjoy consumer protections relating to termination, suspension, disconnection, or restoration of service, special medical or physical conditions, aged persons, recipients of social services assistance, budget billing, complaints and disputes, and deferred payment agreements. For details, contact Commerce Energy or the New Jersey Board of Public Utilities ("NJBP"), Division of Customer Assistance, 44 South Clinton Street, 9th Floor, Post Office Box 350, Trenton, NJ 08625-0350; 1.800.624.0241.

14. Disputes. In the event of a billing dispute or a disagreement involving Commerce Energy's service hereunder, the parties will use their best efforts to resolve the dispute. You should contact Commerce Energy by telephone at 1.866.587.8674 or in writing at P.O. Box 2210, Buffalo, New York 14240-2210. The dispute or complaint relating to a residential customer may be submitted by either party at any time to the NJBP by calling the NJBP at 1.800.624.0241 or by writing to the NJBP at: New Jersey Board of Public Utilities, Division of Customer Assistance, 44 South Clinton Street, 9th Floor, Post Office Box 350, Trenton, NJ 08625-0350, or through its website at: www.nj.gov/bpu. You must pay the bill in full, except for the specific disputed amount, during the pendency of the dispute. Any dispute resolution proceedings, whether in arbitration or court, will be conducted only on an individual basis and not in a class or representative action or as a named or unnamed member in a class, consolidated, representative or private attorney general action.

15. Amendment, Assignment. We may amend this Agreement by sending you written notice. Unless required by Governing Law (including, for example, a Utility tariff change or other regulatory order), you will have 30 days to reject the amendment, in writing. We will not amend the Term or Price without your consent. We may assign any part of our interest in this Agreement, including to another energy services company, without notice to you or your consent. You cannot assign your rights or obligations without our consent.

16. Moves. You will give us 48 hours notice before you move or change your Location (each, a "move"). When you move you may terminate this Agreement upon 48 hours notice without penalty or, if operationally possible, have it apply to your new location. If the latter, then: (i) your new location will be a Location bound by this Agreement; (ii) you authorize us to deal with your Utility in this regard; and (iii) if Governing Law requires that you give us additional written authorization at the time of the move, you will have the option of providing it to us.

17. Inability to Perform. You accept that certain events beyond our control, including force majeure events declared by our direct or indirect suppliers, may affect our ability to supply Electricity at your Price. If this happens, we may, without liability: (a) temporarily supply them to you at the market price available to us; or (b) suspend this Agreement until as soon as we are reasonably able to resume performance. This Agreement will otherwise remain in full effect.

18. Notice. We will send written notices relating to this Agreement to your billing address (as may be amended from time to time). At our discretion (if, for example, there is a fault with regard to your billing address), we may instead send notices to your service address (as may be amended). You give us permission to deliver pre-recorded phone messages to you concerning your account. You may opt out of receiving pre-recorded phone messages by contacting our Customer Service Department. You must send written notices to us at our address listed on the Customer Agreement and be able to give proof of delivery upon request. If a change in Governing Law necessitates that a group of customers be given a general notice, we may give it by posting it on our website at commerceenergy.com.

19. Governing Law. The laws of the State of New Jersey govern this Agreement.

20. Miscellaneous. This Agreement is the entire contract between you and us. It can only be amended if agreed to by Commerce Energy's head office in a written notice to, or recorded telephone call with, you. Electronic, e-mail and fax signatures are for legal purposes equivalent to original signatures. If a part of this Agreement is deemed unenforceable, for any reason, we can make the minimal changes for it to be legal and enforceable. If our name does not appear on your Utility bill within 12 months of the anticipated Start Date and you have not contacted us in writing to implement this Agreement; or if we are unable to implement this Agreement for reasons beyond our control; then it will be deemed terminated at no cost to either you or us. No delay by us to exercise our rights under this Agreement will constitute a waiver of such rights.

21. Emergency. In an emergency, call your Utility: PSEG 1.800.436.7734.

Commerce Energy
License No. ESL-0046



Executive Vice President