

General Terms and Conditions
Commerce Energy, Inc.
(Residential Service - 36 Months Fixed Rate Plan)

1. Key Defined Terms. **AGLC Base Charge:** The AGLC Base Charge is a regulated charge from AGLC that is billed through each gas marketer. **Agreement:** this Natural Gas Agreement under which Commerce Energy agrees to sell and the Customer agrees to buy the quantities of Gas necessary to serve the Customer's full usage requirements at the Location. Collectively, it is the Letter of Agency (front page), the Customer Disclosure Statement, the Customer Terms and Conditions, Third-Party Verification recording and, if applicable, any attached schedule of Multiple Locations. **Commercial Customer:** a premises with commercial/industrial service as defined in AGLC's tariff on file with the PSC. **Commerce Energy:** Commerce Energy, Inc. ("Commerce Energy"); also referred to as "we", "our" and "us". **Customer:** the account holder(s) named on the Letter of Agency page and/or Customer Disclosure Statement and, if applicable, the attached schedule of Multiple Locations. Each account holder is a "Customer" bound by this Agreement; also referred to as "I", "my", "you", and "your". Such customer must be at least 18 years old to establish an account with Commerce Energy. **Customer Service Fee:** A monthly fee related to Commerce Energy's cost of maintaining and servicing your account. **Gas:** the natural gas we supply to your Location under this Agreement. **GPSC:** Georgia Public Service Commission. **Location:** each Gas account relating to your premise(s) for service, or replacement thereof, is a separate "Location" bound by this Agreement. **Price:** The charge for Gas used during the month's billing cycle. As set out in the Customer Disclosure Statement; the Natural Gas Price. **Residential Customer:** A premises at which natural gas is consumed primarily for personal, family or household use. **Senior Discount Plan:** You may qualify for a special senior discount off the standard variable default price plan if you are at least 65 years old and have a total household income of \$14,355 or less. Please contact Commerce Energy's Customer Service for further details. **Utility:** Your electing distribution company: Atlanta Gas Light Company (AGLC). AGLC distributes natural gas on behalf of Commerce Energy, maintains the gas pipeline system, manages your meter services and responds to gas leaks and other emergencies.

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 AGLC and others in order to provide your full Gas supply 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 a natural gas supplier other than us; and (b) will not cancel or modify our appointment as your exclusive agent.

3. Enrollment. Your ability to enter this Agreement depends on whether you meet certain requirements: (a) your Utility accepts our request to enroll you in accordance with the Utility's enrollment rules; (b) we can verify your information by recorded phone call (or other means acceptable to us) as required by the GPSC; (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" (if no selection is made, it is deemed the longer of the available options). The term length is for 3 years (36 months). **Start Date:** the day we begin supplying Gas to your Location under this Agreement. If your enrollment is processed before the 19th of the month your gas service should be switched by the beginning of the following month. If your enrollment is processed after the 19th of the month, your gas service may not be switched until the second month following your request. Your first bill should be received 45 to 60 days after the switch becomes effective. You understand that the Start Date may be delayed (for reasons such as the Agreement being improperly completed, not successfully submitted to Commerce

Energy, not implemented by AGLC, etc.) at our sole discretion. **End Date:** our last day of Gas supplied to your Location under this Agreement plus any time needed to obtain a final meter read.

5. Charges and Fees under this Agreement. We will supply your Location with Gas. You will pay the fixed price per therm as disclosed within your Letter of Agency form and Disclosure Statement. You agree to pay all related charge(s) plus taxes and surcharges. In addition, any applicable AGLC charges billed to Commerce Energy for your service will be passed through to you. **5.1 Gas Charge.** Your Gas consumption, measured in therms, multiplied by your Natural Gas Price. Our Gas Charge is for supply only and does not include costs related to services provided by AGLC. **5.2 AGLC Base Charge.** This charge is regulated by the GPSC and is set by AGLC. This charge may vary. We will bill you a full base charge for each service month regardless of the number of days of service provided. **5.3 Service Fee.** You will be billed a monthly Service Fee of \$5.95. We will bill you a full Customer Service fee for each service month regardless of the number of days of service provided. **5.4 Taxes.** We will apply sales tax to all charges except Late Charges, as required by state law. You are responsible for all applicable federal, state, and local taxes and charges. It is your responsibility to provide us with the necessary exemption certificate prior to enrollment, if you are tax exempt. **5.5 Interstate Pipeline Capacity Charge.** An additional transportation charge that is based on Dedicated Design Day Capacity (DDDC). The DDDC is based on your consumption over the past year. If applicable, we will bill a full interstate pipeline capacity charge for each service period regardless of the number of days of service provided. **5.6 Insufficient Funds Charge.** For any payment to your account that is not accepted for its full amount, including insufficient funds associated with a bank draft payment, at our option, we will assess a non-refundable insufficient funds charge of \$25.00. **5.7 Late Fee.** We will charge you a Late Fee if your account becomes past due by \$30.00 or more, you will be billed a Late Fee of 1.5% of the outstanding bill amount, or \$10.00, whichever is greater. **5.8 Exit Fee.** In order for Commerce Energy to be able to supply Gas to its customers, we enter into long term supply arrangements with suppliers of Gas to meet the forecasted consumption of our customers. If you breach this agreement and/or cancel your service with Commerce Energy before the end of your contracted term, your account will be billed an Exit Fee of \$150.00 per location. If you contact Commerce Energy directly to cancel, your exit fee will be waived. (See section 13 and 14 for further details regarding cancellation.) We will not charge an Exit Fee if you are deemed to be a low-income residential consumer seeking service for the first time from the regulated provider or if you move out of AGLC's service territory. **5.9 Service Connection Charge.** You will be assessed a \$60.00 Service Connection or Reconnection Charge, when establishing new service at a premises or reestablishing service that has been disconnected; of that charge, \$25.00 is a pass-through charge from AGLC. This charge does not apply to customers who are switching existing service. **5.10 Seasonal Service Reconnection Charge.** If you are a residential customer and your service is voluntarily disconnected and reconnected at a single location within a 12-month period, you will be assessed a reconnection charge of \$75.00; of that charge, \$50.00 is a pass-through charge from AGLC. **5.11 Meter Set Charge.** You will be billed a \$60.00 Meter Set Charge, if you are the first occupant of a premises after a meter is installed; of that charge, \$50.00 is a pass-through charge from AGLC. **5.12 Switch Fee.** If you have changed your gas marketer more than once in the previous 12 months, you may get charged a switch fee of \$7.50. **Note:** All charges described above are current as of the effective date of these terms and conditions and are subject to change upon 30-days' notice.

6. Renewal. At least (60) days prior to the End Date of this Agreement, we will send you notice of the Agreement's pending expiration. The notification will set forth you options in regards to continuing to receive Gas supply service from us or to receive gas supply from another supplier. Not less than thirty (30) days prior to the End Date of this Agreement, we shall provide a

second notice to you regarding the End Date, the rate plans, the terms and conditions being offered for a renewed Agreement, and what will occur if you do not inform us of your preference. If you do not inform us of your choice, your agreement will automatically be renewed onto the same fixed rate plan or alternatively on Commerce Energy's standard variable rate program. The variable rate program is a month-to-month program with a rate that changes each month, depending on the current wholesale market pricing and operational costs to serve you. You can cancel that program at any time with no Exit Fee.

7. Billing, Payment. We will bill you directly. You will receive one bill invoice that contains both Commerce Energy's and AGLC's charges. You will receive a monthly invoice for Gas consumed during the prior billing cycle. You will be responsible for paying us all amounts due under the applicable invoice. Invoices will be based upon actual or estimated metered Gas consumption; we reserve the right to estimate consumption if actual consumption data is not available at the time we render our invoice and reconcile estimated and actual consumption on a future invoice. We will not send estimated bills, except when the actual meter readings are not made available, and in that event, such estimated bills will be limited to no more than two consecutive months. Invoices from Commerce Energy will be due and payable 20 days after the date the bill is mailed or posted electronically. Late payments or partial payments will accrue a late payment fee. See Section 5.7. We reserve the right to correct a billing error and you will then receive a forward credit or debit on your bill, as applicable. We do not provide cash refunds. If you receive a gas bill that contains charges that were initially under-billed or unbilled, you are entitled to an extended payment arrangement of not less than 90 days. If you qualify for a payment arrangement, you will not be assessed late charges as long as you remain current with your payments.

8. Budget Billing. Commerce Energy may offer Budget Billing, which allows customers to receive bills in approximately the same amount for each billing cycle based upon usage history and other factors. Under this plan, your monthly payment will be established by estimating your annual costs for natural gas for the upcoming year based on your previous bills and what we expect your future energy costs to be under your then current rate plan. At least once a year or when you terminate Service, we will calculate the difference between what you have already paid and what your actual natural gas costs have been during the year based on your rate plan. If you have paid more than what your rate plan would otherwise require, we will make an appropriate adjustment to future bills, or credit your charges by such amount. For under payment, we will adjust the amount of your future bills or send you a separate bill for the difference. Budget Billing Plans are subject to the same termination and renewal provisions set forth under other plans offered by Commerce Energy.

9. Seasonal Service. If your service is voluntarily disconnected and later reconnected at a single location within a 12-month period, you will be assessed a reconnection charge. See Section 5.10. You must also meet our credit requirements in order to have service reconnected. You must notify us by calling our Customer Service Department, if your service is not disconnected or reconnected by AGLC within the time period communicated to you. You are responsible for paying all charges as long as you receive gas service.

10. Metering Service. AGLC maintains and reads your meter. AGLC submits to Commerce Energy either an actual meter reading or an estimated reading. One of the following meter reading types will be displayed on your bill each month: actual, estimated or no reading. Tampering with the meter or reconnecting natural gas service is extremely dangerous and violates federal safety regulations and state laws. Persons who reconnect their gas service may be subject to criminal prosecution.

11. Payment Options. Payment in full is due on or before the due date shown on your bill. The number of days between the bill date and the due date may vary; however, you have at least 20 days to pay the bill from the date Commerce Energy mails the bill

or posts it electronically. You may use one of the following payment options: **Check or money order** via mail. Your payment may take up to seven business days to process. **Payment stations** – Please call 1.877.308.2879 to find the authorized agent location nearest you. **Pay by phone** – You can pay your bill automatically using your VISA, MasterCard or certain ATM/debit cards. Please call our Customer Service for assistance. **11.1. Assistance Program: Information regarding heating assistance administered by the Georgia Department of Human Resources is available from the Division of Family and Children Services at 404.463.3016 or 1.800.869.1150. Commerce Energy is able to receive payment directly from assistance programs that have contracted to pay us directly.**

12. Non-Payment or Disconnection of Service. If you fail to pay past due charges after prior notice, Commerce Energy will submit a disconnection order to AGLC. As a result, AGLC will disconnect your gas service in accordance with Governing Law. Before a request is made to disconnect gas service for failure to pay, we will send you a written notice and offer at least one reasonable payment arrangement. Service will only be disconnected if Commerce Energy is still the current marketer, and it has been at least fifteen (15) days since you were notified that service would be disconnected. Gas service will not be disconnected for non-payment of a bill that was not sent to you in a timely manner. A service reconnection charge of up to \$60.00 per occurrence may apply.

13. Cancellation. If this Agreement ends early, for any reason, you must still pay all charges that are related to the service provided by Commerce Energy and AGLC. **Your Right to Cancel:** You have a three-day right of rescission following the receipt of this Agreement at the time of initiating service or when informed of a change in your Agreement. **Our Right to Cancel:** We can end this Agreement, at no cost to us, if (i) required/allowed by law; (ii) AGLC is unable to Service your Location; (iii) a legislative or regulatory change materially alters our ability to profitably perform this Agreement; (iv) you move; (v) you fall into "Default" or service is disconnected for non-payment. You will be given 15 calendar days prior notice. You will be in default if you (a) breach a term of this Agreement or AGLC's rules; or (b) switch to another natural gas supplier. **Automatic Termination:** This Agreement will automatically terminate if: (a) the requested service location is not served by AGLC; or (b) you move outside of AGLC's service area to an area not served by us.

14. Moves. You will give us at least 30 days' notice before you move or change your Location (each, a "move"). When you move, we may, in our sole discretion: (a) end this Agreement; or (b) apply this Agreement to your new location. If the latter, then: (i) your new location will be a Location bound by this Agreement; and (ii) you authorize us to deal with AGLC in this regard. Exit Fees may apply.

15. Low-Income Senior Citizen Rate. Customers who are 65 years of age or older and who meet certain income qualifications are eligible for a GPSC-approved reduction in their monthly AGLC Base Charge. Such Commerce Energy customer that is on the fixed rate plan may receive a special discount from Commerce Energy. Please contact our Customer Service Department for more information.

16. Customer Information, Credit Review. You authorize us, for the duration of the Term, 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 AGLC and our service providers. Our supply of Gas to you may depend on your creditworthiness. We are not obligated to accept this Agreement if you do not meet our credit requirements. We, our affiliates, service providers, and business partners can use your information to communicate with you about other products and services. You may cancel our right to use your information at any time. If you don't pass the credit review, you may be required to post a deposit in order to receive service. You may cancel our right to use your information at any time. You will promptly notify us in advance of any change to your information that is relevant to this Agreement (AGLC may also

advise us of any such changes) and agree that incorrect Customer information can be corrected.

17. Deposits. To establish or re-establish service, Commerce Energy may require that a deposit be paid based on obtained credit criteria and/or past payment history. The amount of the deposit will not exceed \$150.00 for any customer who primarily uses gas for personal family or household purposes. The deposit shall not exceed twenty (20) percent of the consumer's estimated bill for any non-residential firm retail customer who meets the definition under Commission Rule 515-7-9-.01(l). In addition, we reserve the right to periodically assess deposits to existing customers if they do not meet our credit requirements. If you are a residential customer and your account remains in good standing for six consecutive months, your deposit, plus accrued interest if applicable, will be refunded by applying a credit to your account. If your account remains active and you have a credit balance after the deposit is applied, upon request we will send you a check for the amount of the credit balance. Deposits refunded prior to six months do not accrue interest. If you move out of the service area and have paid a deposit or have switched marketers, your deposit will be applied to your final bill. If your deposit exceeds your final balance by \$1.00 or more, Commerce Energy will send you a check for the difference within 60 days of your final bill. You are responsible for providing Commerce Energy with a current mailing address to ensure accurate delivery of mail.

18. Limitation of Liability. Our liability under this Agreement is limited to direct actual damages. Commerce Energy is not responsible for any losses or damages resulting from any actions/policies associated with AGLC or the interstate pipeline systems, including interruption or termination of service, defective service, or operation and maintenance of AGLC's system or the interstate pipeline systems that are beyond our control. Unless specifically authorized by the GPSC, we are not liable for consequential, exemplary or punitive damages.

19. Disputes. In the event of a billing dispute or a disagreement involving Commerce Energy's service hereunder, the parties will use reasonable efforts to resolve the dispute in good faith. In the event of a billing error, you will be given 90 days in which to pay any charges that were not timely billed without interest accruing. **If you have a dispute you should contact us by telephone; 1-888-196-3877, Email; CustomerService@commerceenergy.com or in writing; Commerce Energy, Inc., P.O. Box 460008, Houston, TX 77056.** Although you are not responsible for paying any disputed amount on your bill while we are investigating your dispute, you are still obligated to pay the portion of your bill that is not in dispute by the stated due date. If you do not pay this portion on a timely basis, you may be assessed a late charge, and your service may be subject to disconnection. If you have been in contact with Commerce Energy about a service or billing problem and have not heard back within a reasonable time, or if you are not satisfied with our response, you may contact the GPSC at the Georgia Public Service Commission's Office of Consumer Affairs, 244 Washington St., SW, Atlanta, GA 30334, Ph: 404.656.4501 (inside metro Atlanta) or 1.800.282.5813 (outside metro Atlanta) Fax: 404.656.2341, Email: gapsc@psc.state.ga.us, Website: www.psc.state.ga.us.

20. Amendment, Assignment. We may amend this Agreement by sending you written notice. Unless required by Governing Law (including, for example, an AGLC 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 gas marketer, without notice to you or without your consent. You cannot assign your rights or obligations without our written consent.

21. Inability to Perform. You accept that certain events beyond our control, including force majeure events such as an act of God, extraordinary weather occurrence, a facility outage on the AGLC or interstate pipeline systems, an AGLC failure to perform, war, civil disturbance, or national emergency declared by our direct or indirect suppliers, may affect our ability to supply Gas. If this happens, we may, without liability: suspend this Agreement

until as soon as we are reasonably able to resume performance. This Agreement will otherwise remain in full effect.

22. 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 post such notice on our website at commerceenergy.com.

23. Governing Law. The laws of the State of Georgia govern this Agreement.

24. Miscellaneous. The Agreement contains the entire agreement between Commerce Energy and you, the Customer, concerning the supply of Gas to the Location, as applicable. This Agreement may not be contradicted by any prior or contemporaneous oral or written document and 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 signatures are equivalent to original signatures. If any part of this Agreement is deemed unenforceable, we can make the minimal changes for it to be legal and enforceable. During the Term, if changes in Governing Law result in certain costs or credits being shifted from AGLC or other similar or regulatory bodies (such as the GPSC) to Commerce Energy, or vice versa, these costs or credits will be passed through to you at no markup. This Agreement benefits and binds the parties and their respective successors and assigns. No delay by us to exercise our rights will constitute a waiver of such rights.

25. Changes to Terms and Conditions. We reserve the right to change our terms and conditions at any time with prior notice.

26. Emergency. In a natural gas related emergency, call your Utility: AGLC - 1.877.427.4321.

Commerce Energy Inc.



Executive Vice President