

Stream Energy Pennsylvania, LLC, PaPUC License #A-2010-2181867

Disclosure Statement for Residential and Small Business Electric Service Version 1.0; Effective Date: November 10, 2010

This document sets forth the terms and conditions that apply to your purchase of electricity from Stream Energy Pennsylvania, LLC ("Stream Energy") for residential or small business electric services, as applicable. The terms "includes" or "including" shall mean "including without limitation." For purposes of this Agreement, the terms "Customer" or "you" or "your" shall mean: for residential service, the person whose name appears on the bill for service under this Agreement, or that person's spouse, or an authorized agent thereof; for small business service, the person or entity whose name appears on the bill for service under this Agreement, or that person's spouse, or an authorized agent thereof.

Background

Stream Energy is licensed by the Pennsylvania Public Utility Commission (PaPUC) to offer and supply electric generation and related services in Pennsylvania. Our PUC license number is A-2010-2181867. We set the generation prices and charges that you pay. The PaPUC regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

Definitions

Generation Charge - Charge for production of electricity.

Transmission Charge - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company (EDC).

Distribution Charge - Charge for delivering electricity over a distribution system to your home or business from the transmission system.

1. Contact Information. Stream Energy:

By Phone: Toll Free: 1-877-369-8150; between 8 a.m. to 7 p.m. Monday to Friday, EST, excluding holidays

For any formal notices to Stream Energy pursuant to this Agreement, the following mailing address shall apply: **Stream Energy, Attn: Customer Operations, P.O. Box 7287, Philadelphia, PA 19101-7287.** It is Customer's sole responsibility at all times to provide to Stream Energy--at the address listed in this paragraph--with a valid mailing address to receive invoice(s) and notices under this Agreement and as required by any applicable state or federal law. Customer has the right to provide Stream Energy or its affiliates with Customer's email contact information to additionally receive this Disclosure Statement or other notices, electronic communications, emails (including mass communication emails) at Customer's discretion. By providing email contact information, Customer agrees to accept notices and communications electronically.

2. Purchase of Electric Service from Stream Energy and Term. Customer agrees to purchase electric generation and related services from Stream Energy for the Account Number(s) and Service Address(es) identified by Customer during the Quality Confirmation call ("QC") which serves as the Customer's telephonic enrollment. The Product Type (i.e., Fixed vs. Variable), and the Term (i.e., length of the Agreement), shall be the type and term selected by Customer during the QC. Service from Stream Energy will begin on your next regularly scheduled meter read date after your EDC has switched your account to us and will continue for the selected term or until either you or Stream Energy cancels service under this agreement as provided in Section 6 below. Customer shall not resell electricity to any third party.

3. Moving/Relocation. The Agreement is cancelled automatically if Customer moves from the Service Address(es) identified during enrollment. If Customer no longer wishes to receive service in Customer's name (e.g., because of a new occupant) at said Service Address(es), Customer agrees to call Stream Energy at the Toll-Free Number above or to notify Stream Energy in writing via U.S. mail at the mailing address set forth in Section 1. Customer acknowledges and agrees that Stream Energy does not have control over, and shall not be responsible for, any delay, failure or inability by any other entity that is responsible for performing actions necessary to discontinue service in Customer's name. Customer agrees to remain responsible for all Stream Energy charges incurred while the Agreement is in effect. Customer agrees to provide Stream Energy with a valid forwarding address to receive Customer's remaining invoice(s).

4. Price per Kilowatt Hour. You have selected a _____ plan at a current rate of _____ per kWh with an Early Cancellation Fee of _____. Customer agrees to pay the price per kWh that Customer agreed to during QC. The Price per Kilowatt Hour ("kWh") provided by Stream Energy for both Fixed and Variable rate plans is the price published for the effective date of this Agreement to Stream Energy's website at www.streamenergy.net/pennsylvania, and which was confirmed orally to the Customer for that specific product or plan at time of the QC and is included in your Welcome package. The Price includes the price for electric generation, transmission and related services and includes all recurring charges, including reimbursement for the state gross receipts tax. It does not include distribution charges, state and local sales taxes, if applicable, or non-recurring charges such as (for illustration purposes only) collection fees. The Price for both types of product plans is a flat pricing structure. The energy charge portion of the customer's monthly bill will be the greater of ten dollars or an amount calculated by multiplying the rate the customer agreed to by the customer's actual monthly usage (measured in kilowatt-hours).

5. **Changes in Price. Variable Price Plan.** While this Agreement is in effect, the price for the Variable Price Plan may fluctuate and is subject to change at the sole discretion of Stream Energy, based upon the fluctuation of wholesale natural gas prices or other inputs to wholesale electric prices; the rates will change based upon updates in pricing to the Variable Price Plan as posted on Stream Energy's website. Customers who enroll on the Variable Price Plan may monitor the rates for the Variable Price Plan on a daily basis by visiting www.streamenergy.net/pennsylvania, or by calling Stream Energy Customer Operations.

For Customers on a Fixed Rate Term Plan only: Prior to expiration of this Agreement, changes in the length or duration of Customer's Fixed Rate Product may be made only by the Customer's entering into a new Agreement with Stream Energy.

6. **Cancellation Provisions; Early Cancellation Penalties: Variable Price Plan:** Customers on a Variable Price plan may cancel this Agreement at any time without penalty by written notice via U.S. mail at the address indicated in Section 1 of this Agreement or by completing a switch to another supplier. Customer's obligations under the Agreement will end when the outstanding balance on Customer's account is paid in full.

Fixed Rate Term Plan: Customers on a Fixed Rate Term Plan may cancel the Agreement at any time with thirty (30) days advance written notice to Stream Energy via U.S. mail at the address indicated in Section 1. If the Customer cancels the Agreement 30 or more days prior to the end of the term of the Agreement, an Early Cancellation Fee (ECF) of \$_____ shall be due. If the Customer owes any prior ECF or other outstanding balance to Stream at the time of enrollment for service under this Agreement, Stream reserves the right to require full payment of the outstanding balance or ECF prior to initiation of service under this Agreement and may refuse service until all amounts are paid in full.

In the event that Customer is cancelling this Agreement because Customer is moving to a new premise, then Early Cancellation Fees shall NOT apply. Stream Energy may bill Customer directly for any ECFs. In the event that Customer defaults in the payment any ECF due under this Agreement and such indebtedness is placed in the hands of an attorney or collection agent for collection, or suit is brought on same, or the same is collected through probate, bankruptcy or other judicial proceedings, then Customer agrees to pay reasonable fees and expenses (including attorney fees) incurred by Stream Energy or the attorney/collection agent in the collection of such indebtedness.

Stream reserves the right to cancel this Agreement in the event there is a change in the terms of this Agreement (including pricing) between the time that Customer requests enrollment for service and the time that Stream Energy completes its internal processes to begin the initiation of service by your EDC. Stream Energy may also cancel this Agreement at any time for non-payment, fraud or misrepresentation by Customer. In addition, Stream Energy may cancel this Agreement at any time for its convenience with advance written notice to you of at least fifteen (15) days. Upon cancellation by either you or Stream Energy, you will be responsible for all Stream Energy charges incurred hereunder until your account is transferred to another electricity supplier.

Right of Rescission. You may rescind this Agreement without penalty at any time before midnight of the 3rd business day after receiving this Disclosure Statement. *Please include: a statement requesting rescission; name, address and phone number(s); and account number. To rescind, you must contact Stream Energy with this information by midnight of the 3rd business day: Phone at 1-877-369-8150.*

7. **Notification of Expiration of Contract Term.** For Customers on a Fixed Rate Term Plan approaching the expiration date, we will send you two advance written notice(s) in accordance with PaPUC rules – an Initial Notice between fifty-two (52) and ninety (90) days prior to the expiration date, and an Options Notice at least forty-five (45) days prior to the expiration date. We will explain your options in these advance notice(s). If Customer does not take action to ensure continued receipt of service in accordance with the notices, Customer will continue to be served by Stream Energy under a default renewal product on a month-to-month basis after the end of the initial contract term, until Customer switches to another provider, selects another Stream Energy plan (if Customer has not already done so), or Stream Energy cancels this Agreement as provided in Section 6. The default renewal product contains a rate that will vary and could be higher or lower than the Customer's Fixed Rate Plan that has expired. Customer may cancel this monthly default renewal product at any time without penalty by providing notice to Stream Energy as provided in Section 6 or by completing a switch to another supplier. Customer's obligation under the default renewal product will end when the outstanding balance on the account is paid in full.

8. **Billing, Invoices and Payment.** You will continue to receive one bill from your EDC for each billing cycle for the electric generation and related services provided by Stream Energy and the distribution and other services provided by your EDC. You will make payment for all of these services directly to your EDC in accordance with the payment terms stated in your EDC's tariffs.
9. **Cancellation of Agreement for Non-Payment.** For Fixed Rate Plan Customers: cancellation could be deemed an early cancellation of Customer's contractual obligations triggering an Early Cancellation Fee (ECF).
10. **Discrimination.** Stream Energy does not discriminate, deny service, or require prepayment or a deposit for service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, sexual orientation, disability, familial status, location of customer in an economically distressed geographic area or qualification for low income or energy efficiency services.
11. **Disputes or Complaints.** If you have a comment, question or dispute concerning any matter arising under this Agreement, please contact Stream Energy using the contact information set forth in Section 1. In the event that the Customer Service Department of Stream Energy cannot properly assist you or you are not satisfied that the issue at hand has not been resolved, you may also contact the PaPUC at P.O. Box 3265 Harrisburg, PA 17105-3265, UTILITY CHOICE HOTLINE: 1-800-692-7380.
12. **EDC Contact Information.** If you have an electric outage, service interruption or other emergency, please contact your EDC: [e.g., PPL Electric Utilities Corporation at 1-800-342-5775 and press Option #1]. **Universal Service Program:** Your EDC also has programs available to customers who are on a limited or fixed income to assist them with utility bills. Some of these programs might include bill payment assistance and weatherization services. Information on your EDC's Universal Service Program can be obtained by contacting: [e.g., PPL Electric Utilities at 1-800-342-5775].
13. **Limitations of Liability.** STREAM ENERGY WILL ENDEAVOR TO PROVIDE SERVICE IN A COMMERCIALY REASONABLE MANNER; HOWEVER WE DO NOT GUARANTEE A CONTINUOUS SUPPLY OF ELECTRICAL ENERGY. EVENTS THAT ARE OUTSIDE OF OUR CONTROL, REFERRED TO AS *FORCE MAJEURE* EVENTS, MAY RESULT IN SERVICE INTERRUPTIONS. STREAM WILL NOT BE LIABLE FOR SERVICE INTERRUPTIONS CAUSED BY *FORCE MAJEURE* EVENTS. STREAM ENERGY DOES NOT GENERATE ELECTRICITY, NOR DOES IT TRANSPORT IT FROM THE GENERATION POINT TO CUSTOMER'S SERVICE ADDRESS, NOR DOES STREAM ENERGY OWN OR OPERATE SERVICES RELATED TO THE CUSTOMER'S METER.

FURTHERMORE, CUSTOMER SPECIFICALLY AGREES THAT STREAM ENERGY HAS NO LIABILITY OR RESPONSIBILITY FOR THE OPERATIONS OF REGIONAL TRANSMISSION ORGANIZATION OR INDEPENDENT SYSTEM OPERATOR AND MAINTENANCE OF ITS SYSTEM OR THE ELECTRICAL GRID SYSTEM, AS APPLICABLE, OR FOR INTERRUPTIONS, TERMINATION, REPAIR OR RECONSTRUCTION, TIMELY SERVICING, OR DETERIORATION OF THAT SERVICE. IF THE LOCAL DISTRIBUTION UTILITY OR OTHER THIRD PARTY EXPERIENCES AN EVENT OF *FORCE MAJEURE*, THAT, DIRECTLY OR INDIRECTLY, AFFECTS THE DELIVERY AND CUSTOMER'S RECEIPT OF ELECTRICITY, STREAM ENERGY IS LIKEWISE ENTITLED TO CLAIM AN EVENT OF *FORCE MAJEURE* UNDER THE TERMS OF SERVICE. LIABILITIES NOT EXCUSED BY REASON OF *FORCE MAJEURE* OR OTHERWISE SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY AND SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.
14. **Representations and Warranties.** THE ELECTRICITY SOLD UNDER THE TERMS OF SERVICE WILL BE SUPPLIED FROM A VARIETY OF GENERATING SOURCES. THE LOCAL DISTRIBUTION UTILITY OR ISO SYSTEM WILL NOT FACILITATE THE DELIVERY OF ELECTRICITY FROM A SPECIFIC GENERATING SOURCE TO CUSTOMER'S SERVICE ADDRESS. STREAM ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THE TERMS OF SERVICE AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY, CONFORMITY TO MODELS OR SAMPLES AND FITNESS FOR A PARTICULAR PURPOSE.
15. **Assignment.** Customer may not assign this Agreement, in whole or in part, or any of its rights or obligations hereunder without the prior written consent of Stream Energy. Stream Energy may, without Customer's consent: (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangement; (ii) transfer or assign this Agreement to an affiliate of Stream Energy; (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Stream Energy; and/or (iv) transfer or assign this Agreement to a certified retail electric provider. In the case of (ii), (iii) or (iv), any such assignee shall agree in writing to be bound by the terms and conditions hereof. Upon any such assignment, Customer agrees that Stream Energy shall have no further obligations.
16. **Title, Risk of Loss and Indemnity.** Customer acknowledges that Stream Energy does not have care, control or custody of Customer's property or premises, or of any electrical facilities, including, but not limited to, lines, wires, or the meter, located on or

near Customer's property or premises. Customer further acknowledges that Customer is in exclusive control (and responsible for any damages or injury caused thereby) of electricity at and from such meter. Title to electricity and risk of loss related to electricity shall transfer from Stream Energy to Customer at respective meter/or Service Address. **CUSTOMER SHALL INDEMNIFY, DEFEND, AND HOLD STREAM ENERGY HARMLESS FROM ANY CLAIMS, INCLUDING CLAIMS FOR PERSONAL INJURY, DEATH, PROPERTY DAMAGE AND ATTORNEY'S FEES, ARISING FROM ANY ACT OR INCIDENT OCCURRING WHEN TITLE TO ELECTRIC SERVICE IS DEEMED TO BE IN THE EXCLUSIVE CONTROL OF THE CUSTOMER, DESPITE OUR NEGLIGENCE OR STRICT LIABILITY.**

- 17. Waiver.** No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure of either party to exercise any right hereunder shall not constitute a waiver hereunder and shall not impair the exercise of such rights at any later time.
- 18. Governing Law.** THE TERMS OF SERVICE ARE MADE UNDER AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF PENNSYLVANIA, EXCLUSIVE OF ANY CONFLICT OF LAWS PROVISIONS THEREOF THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION. EXCEPT AS OTHERWISE PROVIDED IN THE TERMS OF SERVICE, THE PENNSYLVANIA UNIFORM COMMERCIAL CODE ("UCC") SHALL APPLY TO THE TERMS OF SERVICE AND ELECTRICITY SHALL BE CONSIDERED A "GOOD" (AND NOT A "SERVICE") FOR PURPOSES OF THE UCC.

The parties hereto agree that all civil actions or proceedings (including any action/proceeding in small claims court) arising in connection with this Agreement or related in any way to the provision or cessation of service(s) provided hereunder (including, but not limited to, rate or billing disputes, disconnection of service, reconnection of service, and negligence) shall be tried and litigated exclusively in the State and Federal courts located in Dauphin County, PENNSYLVANIA.

The aforementioned choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this paragraph. Each party hereby waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this paragraph, and stipulates that the State and Federal courts located in Pennsylvania shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute, controversy, or proceeding arising out of or related to this Agreement. Each party hereby authorizes and accepts service of process sufficient for personal jurisdiction in any action against it as contemplated by this paragraph by registered or certified mail, return receipt requested, postage prepaid, to its address for the giving of notices as set forth in this Agreement. Any final judgment rendered against a party in any action or proceeding shall be conclusive as to the subject of such final judgment and may be enforced in other jurisdictions in any manner provided by law. The section does not abrogate the parties' right to file a complaint with the PaPUC.

- 19. Complete Agreement.** Customer's contract with Stream Energy ("Agreement" as defined herein) contains the complete understanding between Stream Energy and the Customer and supersedes all other written or oral communications and representations. Any modifications made to this Agreement following negotiations between Customer and Stream Energy may only take effect if reduced to a separate type-written agreement approved by Stream Energy's Contract Administrator, including this provision. No sales agent or any other representative has any binding authority to modify this Agreement and any such changes shall not be binding on Stream Energy. Customer agrees not to make any changes to this Disclosure Statement and agrees that any of the aforementioned unapproved modifications shall not be binding on Stream Energy even if Stream Energy receives any of the aforementioned modifications and processes them. In that instance, the sole and exclusive remedy available to Customer shall be to cancel the Agreement without penalty and Customer shall remain responsible for all charges incurred prior to cancellation; provided, however, the charges and terms that shall apply shall be those that would have applied had the Agreement not been modified.
- 20. Miscellaneous Fees.** Customers may be required to pay a fee to third-party vendors for bill payment transaction. Fees vary depending upon payment type and vendor. Please check with the vendor for applicable fees before posting payment. Except as otherwise prohibited by law, in addition to those fees charged by your EDC, you agree to pay Stream Energy a \$15 Cancellation Service Fee in the event that Stream Energy sends a request to your EDC to cancel service to a premise for non-payment. Regardless of whether the premise's service has been cancelled or not, this service fee may be assessed. The purpose of this fee is to cover Stream Energy's costs associated with initiating and processing a cancellation request transaction.
- 21. Effective Date of Price (for Renewals/Conversions ONLY).** This Section (Section 21) only applies to this Agreement if Customer is on an existing Stream Energy product (whether fixed or variable) and is either: (i) renewing to another Stream Fixed Rate term product with a term of one (1) year or longer; or (ii) converting from a Stream variable price plan to a Stream fixed rate product with a term of one (1) year or longer. This Section also only applies if a Customer's application for conversion/renewal is validly completed pursuant to the requirements of Section 2 herein and applicable PaPUC legal requirements for renewals.

Notwithstanding the foregoing, the provisions in this section do not apply in situations where Customer is placed on a default renewal product pursuant to Section 7.

For Customers on an Existing Stream Fixed Rate Product Plan Renewing to Another Stream Fixed Rate Product: If the Customer's fixed rate plan in effect at the time of application for renewal is within 60 days of its expiration, Stream Energy will determine whether the new rate under this Section is higher or lower than Customer's existing rate. If the rate for this Section is higher, Stream will allow Customer to complete the existing Agreement and will honor the existing product's lower rate until its expiration date before putting the new rate under this Section into effect. If this Section provides a rate that is lower, Stream will put this renewal rate and term into effect on Customer's next full billing cycle that falls within 45 days or less of the date of the existing Agreement's expiration.

For Customers on an Existing Variable Price Plan Converting to a Fixed Rate Product: If Customer is on an existing Stream variable price plan and converts to a Stream fixed product plan, the new rate under this Section will take effect on the next full billing cycle after conversion.

22. Customer Information Release Authorization: By entering into this Agreement, you agree that your EDC may release to us certain information that we need to provide service to you, including your address, telephone number, account numbers, historical usage information and peak electricity demand. We will not give or sell your personal information to any unaffiliated party without your consent unless we are required to do so by law or it is necessary to enforce this Agreement.