

**THIS AGREEMENT CONTAINS AN ARBITRATION CLAUSE AND A CLASS ACTION WAIVER THAT WILL AFFECT CUSTOMER'S LEGAL RIGHTS. PLEASE REVIEW CAREFULLY.**

**DISCLOSURE STATEMENT OF TERMS OF SERVICE**

1500 Rankin Road, Ste. 200, Houston, TX 77073  
License Number is A-2010-2174743

**THIS DISCLOSURE STATEMENT OF TERMS OF SERVICE, Contact Summary, and the Introductory Letter** – together, the Customer's Welcome Kit (collectively, the "Agreement") – (i) describe your and North American Power and Gas, LLC's ("North American Power and Gas" or "NAP") responsibilities and, among other things, contain an arbitration clause and class action waiver that waives each of your and North American Power and Gas's rights to sue in court (other than individual action in small claims court), to a trial by jury, and to participate in a class action; and (ii) comprise Customer's entire agreement with NAP and authorize North American Power and Gas to serve as the Customer's retail electricity supplier in the territory of PPL, PECO, Duquesne Light, West Penn Power, Metropolitan Edison Company, Penn Power, and/or Pennsylvania Electric Company (each referred to as the "Electric Distribution Company" or "EDC" or "Local Utility"). The services provided by North American Power and Gas to the Customer are governed by the terms of this Agreement. This Agreement supersedes any oral or written statements made in connection with this Agreement or your electric generation service. In this Agreement, the words "we," "us," and "our" refer to North American Power and Gas, and the words "you" and "your" refer to Customer. You understand that you are not required to choose a competitive supplier, and may continue to have the EDC supply your electricity. You represent that you are at least 18 years old and fully authorized to enter into this Agreement.

**BACKGROUND:** NAP is licensed by the Pennsylvania Public Utility Commission ("PPUC") to offer and supply electric generation service in Pennsylvania. Our PPUC license number is A-2010-2174743. North American Power and Gas will supply all the electricity that you need for your home or business ("Supply Service"). NAP is a retail supplier of electricity and is not affiliated with your Local Utility. You will receive a single bill from the Local Utility for its charges and our charges. The Local Utility also will respond to emergencies and will remain your point of contact in the case of a power outage. NAP sets the generation prices and charges that you pay. The PPUC regulates distribution prices and services from your Local Utility. The Federal Energy Regulatory Commission regulates transmission prices and services.

**RIGHT OF RESCISSION:** You have the right to rescind this Agreement by midnight of the 3rd business day from the date of personal delivery, electronic delivery or from the postmarked date when this Agreement is delivered via U.S. Mail. To rescind this Agreement, you should contact NAP by telephone, email or via U.S. Mail at its contact information listed in the "Contact Information" Section of this Agreement. Upon your cancellation of this Agreement during the rescission period, you will continue to be supplied by the EDC unless you have selected another supplier.

**DEFINITIONS:**

Distribution Charges - Are basic service charges for delivering electricity over the distribution system to your home or business from the transmission system.

Generation Charge - Is part of the basic service charges on every customer's bill for producing electricity. Generation service is competitively priced and is not regulated by PPUC. This charge depends on the contract between the customer and the supplier.

Transmission Charge - Is part of the basic service charges on every customer's bill for transporting electricity from the source of supply to the electric distribution company. The Federal Energy Regulatory Commission regulates transmission prices and services. This charge will vary with your source of supply.

**TERM:** The "Fixed Price Period" of the Agreement can be found on the Contract Summary page. The Fixed Price Period will begin on the starting date that is the next meter read date after the EDC processes your enrollment (the "Starting Date") and continue for the number of billing cycles as indicated on the Contract Summary page. Upon submission to your Local Utility, your switch to NAP as your electric generation supplier may take at least 3 days to become effective and is based on your meter read date.

**PLANS OFFERED BY NAP:** All rates and prices are set at NAP's sole discretion. NAP offers a Standard Product which meets the statutory renewable energy requirements of Pennsylvania, as well as a higher percentage renewable energy product. If you purchase a NAP product that includes renewable energy above and beyond Pennsylvania statutory requirements, NAP will purchase Renewable Energy Certificates ("REC") to match the percentage of each product as indicated on the Contract Summary page. Our purchasing of RECs combines electricity from the grid with national RECs generated by wind, hydroelectric, and/or other renewable energy facilities. One REC is equal to one megawatt-hour of electricity generated from an eligible renewable energy source. Customer supply prices do not change based on usage. Your rate includes generation charges and transmission charges, and estimated current total state taxes, including current Gross Receipts Taxes, but excludes applicable state and local sales taxes.

**1. Monthly Variable Rate Plans:** If you enrolled in a Monthly Variable Rate Plan as indicated in the enclosed Contract Summary page, your rate set forth in the Contract Summary page will be effective for the term as listed on the Contract Summary page. Thereafter, you will be served under this Agreement on a month-to-month Variable Rate. The Variable Rate will be determined by NAP for each month at its sole discretion based on business and market conditions including, but not limited to, the costs incurred by NAP to procure energy to serve your account, transportation costs, balancing fees, capacity charges, line losses, ancillary service fees, alternative and renewable energy requirements, storage charges, administrative costs, costs to acquire, marketing costs, profit, applicable taxes, and other business and market considerations. **Your monthly Variable Rate may be higher or lower than the price offered in the Fixed Price Period or any prior month. Savings are not guaranteed and historical prices aren't indicative of present or future pricing. You may obtain NAP's most current and historical rates by contacting NAP at its Contact Information in this Agreement. There is no cap or limit on your Variable Rate from one billing cycle to the next.**

**2. Fixed Rate Plans:** If you enrolled in a Fixed Rate Plan as indicated on the Contract Summary page, your price for electric generation service will not change during the Fixed Price Period from the Starting Date through the meter read date for the number of billing cycles specified on the Contract Summary page. This Fixed Rate includes Generation Charges, Transmission Charges and gross receipt taxes. This Fixed Rate does not include Distribution Charges or other EDC charges (which will be invoiced by the EDC), applicable state or local sales or other taxes, or any other governmental or Independent System Operator ("PJM") charges, all of which will be passed through and invoiced to you in addition to the Fixed Rate. After the Fixed Price Period, unless otherwise agreed upon, your Supply Service will automatically continue on a Monthly Variable Rate Plan, as set forth herein.

**3. Incentives:** For any applicable incentive sign-up bonus, add-ons, limited time offers, or any sales promotions and exclusions, please see the Contract Summary page.

**NET METERING:** If you currently own or plan to install during the term of this Agreement eligible renewable electrical generating facilities generating renewable energy to supply all or part of your electricity usage and such generating facility is or will be net metered by your EDC, you are required to notify NAP in order for NAP to properly enroll and service your account. NAP reserves the right to terminate your supply account if you do not notify us.

**BILLING AND PAYMENTS:** You will still receive one monthly bill from your EDC for the Supply Service provided by NAP and the Distribution Service provided by your EDC. You will continue to pay your EDC directly on the due date as established by your EDC. You should direct any questions regarding the bill to your EDC. See “Contact Information” below for EDC contact information. If the EDC is unable to read your meter, the EDC will estimate usage and charges will be calculated accordingly and adjusted on a future bill. NAP shall have no liability of any kind for errors or inaccuracies in the EDC’s meter readings and/or estimates. Supply to you under this Agreement is conditioned on the EDC accepting NAP’s enrollment of your account for consolidated billing by the EDC. If you are not eligible for consolidated billing, you are required to remedy that restriction with the EDC before NAP can serve you. Should the EDC cease providing consolidated billing for your account and/or commence billing us for any charges relating to you, NAP will bill you and you will pay NAP for all such charges. **You will no longer be eligible for consolidated billing by the EDC if there are any arrears for payment for 60 or more days, at which point NAP reserves the right to terminate this Agreement.** You will be billed additional charges from the EDC consistent with its filed tariffs, including but not limited to taxes and charges to transmit and distribute the electricity to your home. You are responsible for paying any new or increased taxes, fees or other charges imposed on NAP or you regarding transmission or distribution of the electricity during the term of this Agreement. NAP will notify you if any new or increased taxes, fees or other charges are imposed. NAP reserves the right to change billing methods, at any time and at NAP’s sole and absolute discretion.

**LATE OR INSUFFICIENT PAYMENT:** When the EDC issues you a consolidated bill, all invoiced balances not paid in full by the due date are subject to the EDC’s late payment policies and procedures. **If NAP directly invoices you, you are required to pay NAP invoices within 20 days from the invoice date and NAP reserves the right to charge you interest for any past due invoice amount at 1.5% per month or the highest amount permissible under applicable law, whichever is less.** In addition, you agree to pay NAP its costs incurred in collecting amounts owed us, including but not limited to reasonable attorneys’ fees and returned check charges. If you make a payment for an amount less than the total amount due, NAP has the right to accept such payment without prejudice to any other rights or remedies that it may have against you. In any case, NAP may apply it to your account(s) as a partial payment.

**RENEWAL NOTICE AND NOTIFICATION OF CHANGES:** THIS AGREEMENT WILL AUTOMATICALLY RENEW AS DESCRIBED IN THIS SECTION. IN ORDER TO CANCEL BEFORE AN AUTOMATIC RENEWAL OF THIS AGREEMENT, PLEASE NOTIFY US IN WRITING OR BY PHONE AS DESCRIBED IN THIS SECTION. Unless terminated earlier as provided in “Termination” Section herein, if you have a Fixed Rate Plan with us and it is approaching the end of the Fixed Price Period, or whenever we propose to change our terms of service in any type of agreement, you will receive two separate written notifications (“Contract Renewal Notice”) from us in each of the last two bills for Supply Service charges or in corresponding separate mailings that precede either the end of the Fixed Price Period or the effective date of the proposed changes. These notifications will explain your options going forward. UNLESS YOU NOTIFY US THAT YOU DON’T WANT TO RENEW THIS AGREEMENT IN WRITING OR BY CALLING US AT (888) 313-9086 NO LATER THAN 30 DAYS AFTER THE DATE YOU RECEIVE THE SECOND CONTRACT RENEWAL NOTICE, YOU WILL BE DEEMED TO HAVE IRREVOCABLY AND UNCONDITIONALLY AGREED TO RENEW THE AGREEMENT ON A MONTH-TO-MONTH BASIS ON THE TERMS AND CONDITIONS SET FORTH IN THE RENEWAL NOTICE. YOU MAY, HOWEVER, TERMINATE THE AGREEMENT DURING ANY RENEWAL PERIOD AT ANY TIME AND WITHOUT INCURRING AN EARLY TERMINATION FEE, AT WHICH TIME WE WOULD RETURN YOUR ACCOUNT AT THE NEXT APPLICABLE METER READ DATE TO BEING SUPPLIED BY THE EDC UNLESS YOU HAVE SELECTED ANOTHER ELECTRIC GENERATION SUPPLIER.

**EMERGENCY:** In the event of an emergency such as a power outage, you should call your Local Utility listed in the “Contact Information” Section of this

Agreement.

**ASSIGNMENT:** NAP reserves the right to assign the Supply Service and this Agreement at the sole discretion of NAP at any time without notice. You may not assign the Agreement without NAP’s consent. Any attempted assignment in violation of this provision shall be null and void.

**CUSTOMER INFORMATION AND RELEASE:** You agree to allow your Local Utility to release certain information to NAP that will be needed to provide electric supply to you. This may include, but is not limited to, your historical and future usage, payment history and credit information, service address, rate classification and credit information. You authorize NAP to release such information to third parties, agents, affiliates, contractors, and subcontractors for any billing, collection and/or marketing purposes or to any third party that needs to know such information in connection with your electric generation service. These authorizations will remain in effect as long as this Agreement remains in effect. You may cancel these authorizations at any time by either calling or providing written notice to NAP. NAP reserves the right to reject your enrollment or terminate this Agreement in the event these authorizations are cancelled, you fail to meet or maintain satisfactory credit standing as determined by us, or you fail to meet minimum or maximum threshold consumption levels as determined by us. If you fail to remit payment in a timely fashion, NAP may report the delinquency to a credit reporting agency.

**DISPUTE RESOLUTION:** If you have any questions or concerns regarding this Agreement or the electric supply provided by NAP, you should call (888) 313-9086. If you are not satisfied with NAP’s attempt to resolve the problem, you may seek assistance from the PPUC or request information from the PPUC regarding consumer protection rights under this Agreement. See “Contact Information” below for the PPUC’s contact information. **ALL CLAIMS OF ANY KIND ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS AGREEMENT THAT ARE NOT RESOLVED THROUGH THIS PROCESS WILL BE HANDLED PURSUANT TO THE BINDING ARBITRATION; CLASS ACTION WAIVER PROVISION BELOW.**

**BINDING ARBITRATION; CLASS ACTION WAIVER:** In the unlikely event that you have any complaint or other dispute that is not resolved by NAP or the PPUC to your satisfaction, or that we have a dispute with you and are unable to resolve it informally, **we each agree to resolve such a dispute through binding arbitration before the American Arbitration Association (“AAA”) under the Federal Arbitration Act (“FAA”) or small claims court, instead of before any other court. We each agree to arbitrate solely on an individual basis, and understand and agree that this Agreement does not permit class arbitration or any claims brought as a plaintiff or class member in any class or representative arbitration proceeding. The arbitrator may not consolidate more than one person’s claims, and may not otherwise preside over any form of a representative or class proceeding.**

**YOU AGREE THAT, BY ENTERING INTO THIS AGREEMENT, YOU AND NAP ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY OR TO PARTICIPATE IN A CLASS ACTION OR TO SUE IN A COURT (OTHER THAN AN INDIVIDUAL ACTION IN SMALL CLAIMS COURT AS DESCRIBED HEREIN).**

**1. Scope:** The term “dispute” includes any claim or controversy between you and us concerning or related to your Agreement with us and the electricity or gas supply you receive from us under that Agreement, under any legal theory including contract, warranty, tort, statute or regulation. This includes any dispute concerning arbitrability or the existence, scope, validity, construction or enforceability of this Agreement; such disputes shall be resolved by the arbitrator and you and NAP each waive the right to have these matters resolved by any court, including by a jury trial. Notwithstanding the arbitrator’s power to rule on its own jurisdiction and the validity or enforceability of the agreement to arbitrate, the arbitrator has no power to rule on the validity or enforceability of the agreement to arbitrate solely on an individual basis.

**2. Notice of Dispute:** If you have a dispute that has not been resolved by NAP or the PPUC, send a Notice of Dispute by U.S. Mail to NAP at the NAP Contact Information below with your name, address, contact information, summary of the dispute, and how you would like the dispute resolved. We will do the same with you. If we have not resolved the dispute within 60 days after that notice is sent, either of us may start an arbitration.

**3. Small Claims Court Option:** As an alternative to arbitration, you may bring an individual case in your county of residence or where you do business, or Fairfield County, CT, if you meet the court's requirements, so long as it remains an individual case in that court. You may, but are not required to, mail us a Notice of Dispute and give us 60 days to resolve the dispute with you before filing in small claims court.

**4. Arbitration Procedure.** The AAA will conduct arbitration under its Commercial Arbitration Rules or, if you are an individual and the electricity or gas supplied under this Agreement is for personal or household use, or if the value of the dispute is \$75,000 or less whether or not you are an individual or how you use the supply, its Consumer Arbitration Rules, in each case as modified by this Agreement. For more information, see [www.adr.org](http://www.adr.org). To start an arbitration, submit the appropriate form available at <https://www.adr.org/Rules> to AAA and mail a copy to us. In a dispute involving \$25,000 or less, any hearing will be by telephone unless the arbitrator finds good cause to hold an in-person hearing instead. Any in-person hearing will take place in your choice of your county of residence or principal place of business or our principal place of business, Fairfield County, CT. The arbitrator may award the same damages to you individually as a court could. This Agreement to arbitrate shall survive termination or expiration of this Agreement.

#### **TERMINATION:**

**Termination by Customer:** You shall be obligated to pay for the electricity provided by North American Power and Gas according to this Agreement prior to the effective date of any termination. You may terminate this Agreement for any reason at any time. If you move within your EDC service territory, unless you notify NAP or your EDC to cancel your supply services, NAP may continue to serve your account at the new service address. If you decide to cancel your account, contact NAP or your EDC at the Contact Information listed herein. HOWEVER, IF YOU ARE ON A FIXED RATE PLAN, AND YOU TERMINATE THIS AGREEMENT BEFORE THE CONCLUSION OF THE FIXED PRICE PERIOD, NAP WILL HAVE THE RIGHT TO CHARGE YOU, AND YOU AGREE TO PAY, AN EARLY TERMINATION FEE OF \$10.00 PER MONTH FOR EACH MONTH REMAINING IN THE FIXED PRICE PERIOD OF THE AGREEMENT. THE EARLY TERMINATION FEE IS NOT A PENALTY, BUT IS DESIGNED TO COMPENSATE NAP FOR THE COST OF BUYING ELECTRICITY IN ADVANCE OF CUSTOMER'S BEHALF. The termination will not become effective until your EDC successfully switches you to the new service provider of your choice. To terminate this Agreement, please contact NAP or your Local Utility at the contact information listed in the "Contact Information" Section of this Agreement. Until that occurs, your obligations under this Agreement remain in full force and effect. The delivery of electricity to you cannot be terminated or interrupted by the Local Utility as a result of any dispute between NAP and you, however delivery may be terminated by the Local Utility for nonpayment of Local Utility charges in accordance with applicable law. If the Local Utility purchases the right to receive your payments under this Agreement, your payment obligations may become Local Utility charges for purposes of termination of service.

**Termination by NAP:** The Agreement may be canceled by NAP for the following reasons: (i) non-payment: if your electric service is terminated by your electric distribution company, then this Agreement is cancelled on the date that your service is terminated; (ii) company-initiated cancellation: if we cancel this Agreement for any reason other than customer non-payment, we will follow applicable rules and regulations providing notice to you; (iii) any breach of this Agreement upon 30 days' prior written notice to you of such termination; (iv) change in law, as set forth in the "Change of Law" Section herein; (v) any other act beyond our reasonable control; or (vi) if we are no

longer able to serve you.

**LIMITATIONS ON WARRANTY AND DAMAGES:** YOU UNDERSTAND AND AGREE THAT THERE ARE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, ASSOCIATED WITH THE ELECTRICITY SUPPLY SERVICE PROVIDED BY NAP. NAP WILL BEAR NO LIABILITY TO YOU OR ANY THIRD PARTY FOR CONSEQUENTIAL, PUNITIVE, INCIDENTAL, SPECIAL OR OTHER INDIRECT DAMAGES. You acknowledge and agree that your Local Utility and PJM are exclusively responsible for the energy transmission and delivery system, and that NAP has no independent control over your Local Utility's or PJM's systems and will have no liability for any of their acts or omissions.

**FORCE MAJEURE:** Notwithstanding any other provision of the Agreement, if we are unable to carry out any obligation under the Agreement due to a Force Majeure the Agreement will remain in effect but such obligation will be suspended for the duration of the Force Majeure, so long as we use commercially reasonable efforts to remedy our inability to perform. "Force Majeure" means an event not within our reasonable control that we are unable to prevent or overcome in a commercially reasonable manner by the exercise of due diligence. Force Majeure includes, but is not limited to, acts of God; fire; war; terrorism; flood; earthquake; civil disturbance; sabotage; facility failure; strike; curtailment, disruption or interruption of distribution, transmission, or supply; declaration of emergency by the EDC; regulatory, administrative, or legislative action, or action or restraint by court order or governmental authority; or any act or omission of a third party not under our control.

**CHOICE OF LAW:** This Agreement will be governed by the laws of Pennsylvania and applicable federal law, without regard to its conflict of law principles.

**CHANGE OF LAW/REGULATORY CHANGES:** This Agreement is subject to present and future legislation, orders, rules, regulations, tariffs or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder, including but not limited to the Local Utility, the PPUC, PJM, the Federal Energy Regulatory Commission (FERC), or any of their successors (collectively, "Laws") (any change or change in interpretation of a Law, a "Change in Law"). If at any time during the term of this Agreement there is a Change in Law that results in NAP being prevented, prohibited, or frustrated from carrying out the terms of this Agreement, or results in an increase in NAP's costs of providing Supply Service to you under this Agreement, NAP may terminate this Agreement in accordance with the termination provisions above or adjust its rate/price to reflect any increases associated with such Change in Law upon 30 days' written notice to you.

**UCC:** Except as otherwise provided for in this Agreement, the provisions of the Uniform Commercial Code ("UCC") of Pennsylvania shall govern this Agreement and electricity shall be deemed a "good" for purposes of the UCC.

**NOTICES:** Unless you have chosen an alternate method of receiving notices, applicable notices will be provided by United States Postal Service mail.

**SEVERABILITY:** If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force without being invalidated in any way.

**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.

**MISCELLANEOUS:** You will promptly notify NAP if there are any material changes in your energy consumption. This Agreement is subject to any future legislation, orders, rules, regulations, or your EDC tariff or policy changes. There may be a delay before your EDC switches your electricity supply to NAP; NAP is not responsible for any such delays.

**CONTACT INFORMATION:****North American Power and Gas, LLC**

1500 Rankin Road, Ste. 200

Houston, TX 77073

www.napower.com

For Customer Service:

Telephone: 1-888-313-9086

Email: [customercare@napower.com](mailto:customercare@napower.com)**In the event of a power outage, problem with your electric meter or other service need, please contact your Local Utility at the phone number/address listed below:**

<b>Utility</b>	<b>Address</b>	<b>Phone Number for Outages &amp; Emergencies</b>	<b>Universal Service Program</b>
PPL Electric Utilities	827 Hausman Rd Allentown, PA 18104-9392	1-800-342-5775	1-800-358-6623
PECO	2301 Market St P.O. Box 8699 Philadelphia, PA 19101	1-800-841-4141	1-800-774-7040
Duquesne Light	411 Seventh Avenue (6-1) Pittsburgh, PA 15219	1-888-393-7000	1-888-393-7600
Metropolitan Edison	P.O. Box 368 Akron, OH 44309	1-888-544-4877	1-800-545-7741
Penn Power	P.O. Box 3687 Akron, OH 44309	1-888-544-4877	1-800-720-3600
Penelec	P.O. Box 3687 Akron, OH 44309	1-888-544-4877	1-800-545-7741
West Penn	P.O. Box 3615 Akron, OH 44309	1-888-544-4877	1-800-686-0021

The Pennsylvania Public Utility Commission can be reached at:

Pennsylvania Public Utility Commission

P.O. Box 3265

Harrisburg, PA 17105-3265

<http://www.puc.state.pa.us/>

Choice Hotline Number: 1-800-692-7380

TOS Version Effective Date: May 22, 2015