

**North American Power and Gas, LLC**  
**20 Glover Avenue**  
**Norwalk, CT 06850**

**Disclosure Statement of Terms of Service  
and Sales Agreement**

THIS DISCLOSURE STATEMENT OF TERMS OF SERVICE AND SALES AGREEMENT together with the Contract Summary and Introductory Letter ("Agreement"), collectively the Welcome Kit, will authorize and reflect Customer's entire agreement with North American Power and Gas, LLC to serve as Customer's retail Natural Gas Supplier and exclusive agent in the Customer's local Natural Gas Distribution Company service territory (each, "NGDC" or "Local Utility" being Equitable Gas Company, UGI Utilities Inc., National Fuel Gas Corp., PECO Energy Company, Columbia Gas of Pennsylvania and Peoples Natural Gas Company). The services provided by North American Power and Gas to Customer are governed by the terms of this Agreement.

**Background**

North American Power and Gas, LLC is licensed by the Pennsylvania Public Utility Commission ("PPUC") to offer and supply Natural Gas generation services in Pennsylvania. Our PPUC license number is A-2013-2353838.

Commodity charges and prices that Customer pays are set by the natural gas supplier that Customer has chosen. The Public Utility Commission regulates distribution or delivery prices and services. The Federal Energy Regulatory Commission regulates interstate pipeline prices and services.

Customer will receive a single bill from Customer's Natural Gas Distribution Company for both its charges and for our charges.

**Right of Rescission:** Customer has the right to rescind this Agreement without obligation, fees or penalties by midnight of the third (3) business day from the date of personal delivery, electronic delivery or from the postmarked date when this Agreement is delivered via the United States Postal Service. To rescind this Agreement, Customer should contact NAP by telephone, email or via the United States Postal Services at its contact information listed in the Contact Information section of this Agreement. Upon Customer cancellation of this Agreement during the Rescission Period, Customer will continue to be supplied by the NGDC.

**Definitions:**

- Commodity Charge – The charges for basic gas supply service which is sold either by volume (ccf or Mcf) or heating value (dekatherms). Commodity charges include estimated total state taxes but do not include State Sales Tax and county tax. Commodity prices and charges are set by the natural gas supplier Customer has chosen. The Public Utility Commission regulates distribution prices and services.
- Distribution Charges – The charges for the delivery of natural gas from the point of receipt into the NGDC's system.
- Interstate Pipeline Charges – Charges for moving natural gas to the distribution lines of a distribution company.
- Initial Term – The period of time by which Customer agrees to purchase Natural Gas generation service from North American Power and Gas, LLC ("NAP") as disclosed in the Introductory Letter.
- NGDC or Local Utility – Natural Gas Distribution Company
- NAPG – North American Power and Gas, LLC
- Non-Basic Service Prices: If NAP offers any non-basic priced services, such plans will be disclosed in the Incentive section of the Contract Summary.

**1. Basic Service Prices:** North American Power may offer Customer an introductory, variable or fixed rate plan. If Customer is enrolled in any other sales and promotional, bonus, and or limited time offers, such offers will be outlined in Customer's Contract Summary. Prices may be higher or lower than the Local Utility's posted rate. NAP Agreement prices includes Natural Gas Transmission

Service Charges, Pipeline Charges and Estimated Total State Taxes, but excludes applicable local Sales Taxes and County Taxes. Customer can visit NAP at [www.napower.com](http://www.napower.com) or call us at 888-313-9086 to obtain current rates being offered by NAP. Customer's ability to shop 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).

**Plans Offered by NAP:**

**i. Introductory Rate Plans:** If customer enrolled in an introductory rate plan as indicated in the Contract Summary, Customer's rate will be for the period of time the introductory rate is offered in the Contract Summary and will not change for the first month's billing cycle. Thereafter, Customer's rate will continue on a variable month-to-month rate as described below.

**ii. Monthly Variable Rate Plans:** If Customer enrolled in a variable rate plan as indicated in the Contract Summary, Customer's rate during this Agreement will be effective for the stated term. Thereafter, the Agreement will be month-to-month and rate will vary monthly based on NAP's assessment of historic and projected supply and hedging costs, prior months' pricing and balancing costs, projected average customer bill amounts, conditions in the Natural Gas markets where natural gas is sourced and priced according to NYMEX, plus pipeline basis; and/or according to spot prices as published in standard industry publications, and NGDC pricing. Monthly Variable Rate price will include, but is not limited to, the cost for pipeline capacity, financing and supply credit related costs, carry costs for pipeline capacity and storage cost to deliver natural gas to customer, fuel cost related to storage, balancing costs, transportation costs, line loss costs, storage costs, pooling charges, credit costs and NAP's profit margin as determined in our discretion that may vary from month to month. The rate offered to Customer will be calculated in totality based on the referenced factors. **Customer Monthly Variable Price may be higher or lower than the price offered in the initial or any prior month. Savings are not guaranteed. Each month, customer may obtain NAP's most current and historical average monthly billed rates by contacting NAP at its contact information in this Agreement. There is no cap or limit on Customer's variable rate from one billing. Historical prices aren't indicative of present or future pricing.** Until Customer chooses to switch to another natural gas supplier or return to the Local Utility and the Local Utility successfully switches the service, Customer will remain a NAP customer.

**iii. Fixed Rate Plans:** If Customer enrolled in a fixed rate plan as indicated in the Contract Summary, Customer fixed rate Agreement for natural gas supply will not change during Customer Initial Term from the Starting Date through to the meter read date for the number of billing cycles specified in the Contract Summary.

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

**2. Length of Agreement:** North American Power will begin providing supply service when your Local Utility switches Customer Account to NAP ("Start Date"). Natural Gas supply service will begin on the Start Date when the Local Utility successfully changes Customer account to NAP and will continue thereafter for a period of time as indicated in Customer's Contract Summary ("Initial Term"). Natural Gas service will begin upon the first meter reading following the date on which the EDC successfully changes Customer's account to NAPG. This process may take up to ninety (90) days. When the Initial Term expires, this

**3. PENALTIES, FEES AND EXCEPTIONS: THERE ARE NO PENALTIES FOR EARLY CANCELLATION OF AN INTRODUCTORY RATE PLAN AND A**

**VARIABLE RATE PLAN. IF CUSTOMER IS ENROLLED IN FIXED RATE PLAN THAT IS LONGER THAN THREE MONTHS (3), CUSTOMER WILL INCUR AN EARLY TERMINATION FEE (“ETF”) IF THIS AGREEMENT IS TERMINATED PRIOR TO THE END OF THE INITIAL OR RENEWAL. SUCH ETF BEING TEN DOLLARS (\$10.00) PER MONTH FOR EACH MONTH REMAINING IN THE FIXED PRICED TERM. A CONSOLIDATED BILL, ALL INVOICED BALANCES UNDER THIS AGREEMENT THAT ARE NOT PAID IN FULL BY THE DUE DATE WILL BE SUBJECT TO THE NGDC’S LATE PAYMENT POLICIES AND PROCEDURES, INCLUDING IMPOSITION OF LATE FEES, INTEREST AND OTHER CHARGES AS DESCRIBED IN THE NGDC’S FILED TARIFF(S). IF NAP DIRECTLY INVOICES CUSTOMER, CUSTOMER IS REQUIRED TO PAY OUR INVOICES BY THE DUE DATE SET FORTH IN THE INVOICE, WHICH WILL BE TWENTY (20) DAYS FROM THE DATE THE INVOICE WAS MAILED. WE RESERVE THE RIGHT TO CHARGE CUSTOMER 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, CUSTOMER AGREES TO PAY US OUR COSTS INCURRED IN COLLECTING AMOUNTS OWED US, INCLUDING REASONABLE ATTORNEY’S FEES AND RETURNED CHECK CHARGES. IF CUSTOMER MAKES A PAYMENT FOR AN AMOUNT LESS THAN THE TOTAL AMOUNT DUE, WE MAY ACCEPT SUCH PAYMENT WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES THAT WE MAY HAVE AGAINST CUSTOMER AND WE MAY APPLY IT TO CUSTOMER’S ACCOUNT(S) AS A PARTIAL PAYMENT. IN ADDITION, IF CUSTOMER FAILS TO REMIT PAYMENT IN A TIMELY FASHION, CUSTOMER AUTHORIZES US TO REPORT THE DELINQUENCY TO ONE OR MORE CREDIT REPORTING AGENCIES.**

**4. Billing and Payment:** Customer will still receive one monthly bill from Customer Local Utility for the Supply Service provided by NAPG and the Distribution Service provided by its Local Utility. Customer will continue to pay Customer’s NGDC directly on the due and payable date when Customer NGDC bill is due at the billing address provided in Customer’s NGDC bill. Customer acknowledges that the NGDC may provide us with Customer’s billing and payment information. Customer will be invoiced for NAP’s charges under this Agreement at the applicable price set forth in the Contract Summary (or, during any renewal period, under any revised price, terms and conditions as may be established as described in the “Renewal” section above) multiplied by Customer natural gas usage as measured by the NGDC in the applicable unit of measure during the applicable billing period. Customer agrees to accept the measurements as determined by the NGDC for purposes of accounting for the amount of natural gas supply services provided by us under this Agreement. If the NGDC is unable to read Customer meter, the NGDC will estimate Customer usage and Customer charges will be calculated accordingly and adjusted on a future bill. Supplying Customer under this Agreement is conditioned on the NGDC accepting our enrollment of Customer’s account and Customer’s continued eligibility for consolidated billing by the NGDC. If Customer is not eligible for consolidated billing, Customer needs to remedy that restriction with the NGDC before we can serve Customer. Should the NGDC cease providing consolidated billing for Customer account and/or commence billing us for any charges relating to Customer Account, we will bill Customer and Customer will pay us for all such charges. Customer will be billed additional charges, including taxes and charges to distribute the natural gas to Customer’s home or business, from the NGDC consistent with its filed tariffs. If the NGDC purchases the right to receive Customer payments under this Agreement, Customer payment obligations may become NGDC charges for purposes of termination of service. Customer is responsible for paying any new or increased taxes, fees or other charges imposed on us or Customer in connection with our supply of natural gas to Customer during the term of this Agreement. NAP reserves the right to change billing methods. If we change our billing methods, we will send Customer two (2) advance written notices at about ninety (90) days and sixty (60) days before the effective date of the change either in Customer bills or in separate mailing before the effective date of any such change. Customer should direct any questions regarding the bill to Customer Local Utility. See “Contact Information” below for Local Utility contact information.

## **5. Cancellation Provisions:**

**Cancellation by Customer:** This Agreement may be canceled for the following reasons:

- i. Non-payment: If Customer’s Natural Gas service is terminated by Customer’s Local Utility, then this Agreement ends on the date that Customer’s service is terminated.
- ii. If this Agreement is cancelled for any other reason, upon proper notification as required by law and/or PUC rules, the cancellation will not become effective until Customer’s Local Utility successfully switches Customer to the new service provider of Customer’s choice. Until that occurs, Customer’s obligations under this Agreement remain in full force and effect. Customer shall be obligated to pay for the Natural Gas provided by NAPG according to this Agreement prior to the effective date of any cancellation. Upon cancellation of this agreement, Customer will be returned to the default Natural Gas supply service or to the service provider chosen by Customer. **All cancellations for a fixed priced plan initiated by Customer after the rescission period and prior to the end of the Initial Term will incur the early termination provisions as outlined in item “iv” below of this Section.**
- iii. For Introductory Rate Plans and Variable Rate Plans: There are no cancellation fees.
- iv. **For Fixed Priced Plans: If Customer wishes to terminate this Agreement during the Initial Term or any subsequent fixed price Renewal Term applicable rescission period, Customer will be charged an early termination fee of ten (\$10) dollars per month for each month remaining in the fixed price term.**

Customer may provide written notice of termination at NAP’s address listed in the Contact Information section of this Agreement or call NAP at 1-888-313-9086 or email NAP at [customer@napower.com](mailto:customer@napower.com).

### **Cancellation by NAP**

- i. **Non-Payment:** If your natural gas service is terminated by your NGDC, then this agreement is cancelled on the date that your electric service is terminated. You will owe us for amounts unpaid for our charges for natural gas service up to the date of termination.
- ii. **Customer Move:** If the customer moves or relocates from the natural gas service address under which they enrolled with NAP, Customer may remain with NAP and not have to return to default supply service provided by the Local Utility. Customer will be responsible for paying for all natural gas supplied to Customer’s old address until the date this Agreement is terminated in accordance with its terms and conditions.
- iii. If NAP cancels this Agreement for any reason other than Customer non-payment and Customer’s relocation, we will follow applicable rules in providing notice to Customer. Upon following the applicable rules, NAP may also terminate this Agreement due to a change in law or other act beyond our reasonable control or if we are no longer able to serve Customer. In addition, we reserve the right to reject Customer’s enrollment or terminate this Agreement if: Customer fails to meet or maintain satisfactory credit standing as determined by us; Customer fails to meet minimum or maximum threshold consumption levels as determined by us; or Customer fails to remain a NGDC distribution customer throughout the term under the applicable rate class; Customers fail to be eligible for NGDC consolidated billing throughout the term; Customer rescind the authorization for release of information provided in the “Information Release Authorization” section below; or Customer provide any false, inaccurate or misleading information to NAP or the NGDC. Customer may cancel this Agreement during the Rescission Period in accordance with the “Right of Rescission” section above without incurring an early termination fee.

Upon any cancellation of this Agreement, Customer will return to receiving default service from the NGDC unless Customer has selected another natural gas supplier. The effective date of any cancellation will be the next applicable meter read date after expiration of the required notice period. Upon any cancellation, Customer will remain responsible for all obligations, including payment for natural gas charges incurred under this Agreement prior to the effective date of termination including any applicable cancellation fee. The delivery of natural gas to Customer cannot be terminated or interrupted by the NGDC as a result of any dispute between Customer and NAP. The NGDC will continue to respond to any service calls and emergencies and switching to NAP will not impact Customer's natural gas supply service reliability. If the NGDC purchases the right to receive Customer payments under this Agreement, Customer payment obligations may become NGDC charges for purposes of termination of service.

**6. Renewal Provision / Agreement Expiration / Change in Terms/ Price Change Notices:**

If Customer have a fixed duration contract and it is approaching the expiration, or whenever NAP proposes to change the terms of service, Customer will receive two separate written notifications. The first approximately sixty (60) to seventy-five (75) days in advance and the second approximately forty-five (45) days in advance of either the expiration date of the effective date of the proposed changes. These notifications will explain your options going forward. If we are billing Customer directly for our services, then we will provide the notices as a bill message, a bill insert, or in a separate corresponding mailing. If the NGDC is billing our charges for us, then we will provide the notices in separate corresponding mailings. Unless Customer notifies NAP that Customer does not want to renew this Agreement at its Contact Information in this Agreement no later than thirty (30) days after the date Customer receives the second Agreement renewal notice, Customer will be deemed to have irrevocably and unconditionally agreed to renew this Agreement as a month-to-month Agreement on the terms and conditions set forth in the renewal notice. Customer may, however, cancel the month-to-month Agreement at any time without incurring an ETF, at which time we would return Customer account at the next applicable meter read date to being supplied by the NGDC, unless Customer have selected another natural gas supplier. If customer does not respond to the second notice and Customer's account continues on a variable month-to-month rate, NAP will notify customer of any subsequent changes in Customers' rate at least 30 days prior to the date the Customer will be billed the new rate. Any such notice will either be provided via United States Postal Services or electronically if Customer has selected electronic delivery as permitted by law and/or regulations.

**7. Dispute Procedures:** Customer can contact us through our toll-free number or via our website as outlined below with any questions concerning our terms of service. Customer may call the PUC if Customer is not satisfied after discussing Customer's terms with us.

**8. Assignment:** NAP may assign, subcontract or delegate all or any part of our rights and/or obligations under this Agreement, including Customer payment obligations under this Agreement, without Customer prior consent, subject to providing customer with prior written notice of such assignment. After assignment, NAP will have no further obligations under this Agreement.

**9. Emergency:** In the event of an emergency such as a power outage, Customer should call its Local Utility.

**10. Customer Information and Release:** Customer agrees to allow its Local Utility to release certain information to North American Power and Gas that will be needed to provide electric supply to Customer. This may include, but is not limited to, Customer historical and future usage, payment history and credit information, service address, rate classification and credit information. Customer authorizes NAP to release such information to third parties, affiliates and subcontractors that need to know such information in connection with Customer's electric generation service. These authorizations will remain in effect as long as this Agreement remains in effect. Customer may rescind these authorizations at any time by either calling or providing written notice to NAP. NAP reserves the right to reject Customer's enrollment or terminate this Agreement in the event these authorizations are rescinded, Customer fails to

meet or maintain satisfactory credit standing as determined by us, or Customer fails to meet minimum or maximum threshold consumption levels as determined by us. If Customer fails to remit payment in a timely fashion, NAP may report the delinquency to a credit reporting agency.

**11. Limitations on Warranty and Damages:** Customer understands and agrees that there are no warranties, either express or implied, associated with the electricity supply service provided by North American Power and Gas. North American Power and Gas will bear no liability to Customer or any third party for consequential, punitive, incidental, special or other indirect damages.

**12. Force Majeure:** NORTH AMERICAN POWER WILL MAKE COMMERCIALY REASONABLE EFFORTS TO PROVIDE ELECTRIC SUPPLY SERVICE TO CUSTOMER, BUT DOES NOT GUARANTEE A CONTINUOUS SUPPLY OF NATURAL GAS. CERTAIN CAUSES AND EVENTS ARE NOT IN THE REASONABLE CONTROL OF NORTH AMERICAN POWER AND MAY RESULT IN INTERRUPTIONS IN SERVICE. NORTH AMERICAN POWER IS NOT RESPONSIBLE FOR TRANSMITTING OR DISTRIBUTING NATURAL GAS. NORTH AMERICAN POWER IS NOT LIABLE FOR DAMAGES CAUSED BY ACTS OF GOD, CHANGES IN LAWS, RULES, REGULATIONS, OR OTHER ACTS OF ANY GOVERNMENTAL AUTHORITY (INCLUDING THE PUC OR PIPELINE COMPANIES OR STORAGE FACILITIES), ACCIDENTS, STRIKES, LABOR DISPUTES, REQUIRED MAINTENANCE WORK, INABILITY TO ACCESS THE NATURAL GAS DISTRIBUTION COMPANY SYSTEM, NONPERFORMANCE BY THE NGDC OR ANY OTHER CAUSE BEYOND THE REASONABLE CONTROL OF NORTH AMERICAN POWER. IN ADDITION, CUSTOMER MAY BE REQUIRED TO PAY ANY ADDITIONAL OR INCREASED FEES OR CHARGES THAT ARE GENERALLY BEYOND THE REASONABLE CONTROL OF NORTH AMERICAN POWER, INCLUDING BUT NOT LIMITED TO FEES FOR DISCONNECTION, RECONNECTING, MAINTAINING ELECTRIC SERVICE OR EQUIPMENT OR TRANSMISSION CHARGES THAT ARE IMPOSED BY LAW, RULE, REGULATION, TARIFF, OR BPU ORDER. THESE CHARGES OR FEES WILL BE PASSED ON TO CUSTOMER AND ADDED TO CUSTOMER'S PRICE AFTER APPROPRIATE NOTICE AS REQUIRED BY RULE OR APPLICABLE LAW.

**13. Limitations of Liability:** Liabilities not excused by reason of force majeure or otherwise will be limited to direct, actual damages. North American Power will not be liable to Customer or any third party for consequential, incidental, punitive, exemplary, or indirect damages, or third party claims or other damages, whether based upon contract, warranty, tort, strict liability, or otherwise. North American Power is not liable for interruptions to, or shortages of, electricity supply, nor is it liable for any resulting associated loss or damage. These limitations apply without regard to the cause of any liability or damage. North American Power is not responsible for any failure to commence or terminate Customer's Electric Supply Service on the dates stated herein, due to any delay in enrolling Customer. Nothing in this Agreement shall constitute any waiver of any right Customer may have under New Jersey or Federal Consumer Protection laws.

**14. Representations and Warranties:** The natural gas sold under this Agreement will be supplied from a variety of generating sources, including the natural gas provided pursuant to any carbon offset requirements, and will meet the quality standard of the NGDC. North American Power makes no representations or warranties other than those expressly set forth in this Agreement. NORTH AMERICAN POWER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**15. 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.

**16. Choice of Law:** This Agreement will be governed by the laws of Pennsylvania, without regard to its conflict of law principles.

**17. Contact Information:**

**Natural Gas Supplier Name:** North American Power and Gas, LLC  
(License #: 2013-2353838)  
20 Glover Ave  
Norwalk, CT 06850  
888-313-9086  
Customercare@napower.com  
www.napower.com

**Public Utility Commission:** Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[http://www.puc.state.pa.us/contact\\_us.aspx](http://www.puc.state.pa.us/contact_us.aspx)

Choice Hotline Number: 1-800-692-7380

For information about universal service programs, please call Equitable Gas Company at 1-877-577-8735.

**18. Supplier of Last Resort:** If the supplier of last resort changes, the new supplier of last resort shall notify customer of that change, and shall provide customer with the name, address, telephone number and internet address, if available.

**19. Notices:** Unless Customer has chosen an alternate method of receiving notices, applicable notices will be provided by United States Postal Service mail.