



MARYLAND RESIDENTIAL & SMALL COMMERCIAL TERMS AND CONDITIONS

Natural Gas Supply Service
Direct Energy Services, LLC

1. Agreement to Purchase Natural Gas. Direct Energy will supply your natural gas as delivered by your Natural Gas Utility ("NGU"). These Terms and Conditions together with the Contract Summary (defined below), which is incorporated herein by reference, constitute the agreement ("Agreement") between you and Direct Energy Services, LLC ("Direct Energy"). "Contract Summary" means, as applicable, either the section of the enrollment consent form/letter of authorization entitled 'Contract Summary' or the Schedule A accompanying these Terms and Conditions entitled 'Contract Summary – Schedule A to Terms and Conditions'. **Note: Recipients of home energy assistance are not eligible to enroll on this product and this contract is not approved for that use. Your signature to this agreement affirms that you are not receiving, and have not received during the previous fiscal year, energy assistance from an energy assistance program.**

2. Terms of Agreement. This Agreement serves as the agreement for natural gas supply service to be provided to you by Direct Energy. This Agreement is subject to the occurrence of the following conditions: (a) your receipt of this Agreement from Direct Energy; (b) Direct Energy's acceptance of this Agreement; (c) your NGU's acceptance of your enrollment and; (d) your applicable Rescission Period (as defined in Section 6 having run). You agree to become a Direct Energy customer and appoint Direct Energy as your limited agent to perform the necessary tasks associated with your natural gas supply service and fulfill the terms of this Agreement. You authorize Direct Energy to obtain information from your NGU that includes your billing and payment information and history, historical and future natural gas usage, meter readings, and characteristics of natural gas service. Direct Energy agrees to sell and arrange for delivery to you, and you agree to purchase and accept, the quantity of natural gas delivered to you, as measured and/or estimated by your NGU, all in accordance with the terms and conditions set forth in this Agreement. Your natural gas will be delivered to you by your NGU. Direct Energy is licensed by the Maryland Public Service Commission (the "Commission") as a "gas supplier" to supply natural gas service in Maryland. Direct Energy's license number in Maryland is IR-791.

3. Term of Agreement. The term of this Agreement will begin on the meter read date that your natural gas supplier is changed to Direct Energy by the NGU and continue for the number of billing cycles set forth in the Contract Summary ("Initial Term"). When the Initial Term expires, this Agreement will automatically renew on a month-to-month basis, as described in the Contract Summary and in Section 5. This Agreement will be effective during the Initial Term and through any of these monthly Renewal Periods, subject to the cancellation provisions of Sections 6 through 9 below.

4. Pricing, Billing and Payment Terms. During the Initial Term, you will be charged for your natural gas supply service at the price per therm ("Therm") set forth in the Contract Summary. This price is for your natural gas supply service and it includes transport and storage

as applicable and excludes distribution charges and other taxes, utility fees and charges. As to your billing and payment terms, your NGU will send you a bill monthly (or at such other frequency as it determines) which will set forth your NGU's charges and Direct Energy's charges. **Depending upon the date of the meter read, your bill from the NGU may be prorated. The prorated billing is a technique for applying standard methods to nonstandard billing periods. A billing period that is shorter or longer than the NGU's designated billing period days will have prorated charges based on a 30-day average for the applicable rate.** Your payment for both the NGU's and Direct Energy's charges will be due to the NGU by the date specified in the NGU bill.

Direct Energy's supply of natural gas to you under this Agreement is subject to the NGU accepting enrollment of your account for consolidated billing. If you are not eligible for consolidated billing, you will be required to remedy that restriction with your NGU prior to Direct Energy serving you. If any time during your Initial Term or any Renewal Period (as defined in Section 5), your NGU no longer provides consolidated billing for your account, you will be billed by Direct Energy for any charges owed to Direct Energy. You will be billed separately by your NGU for any taxes, distribution charges or other utility fees and charges. If Direct Energy has any new or increased fees, taxes, or charges imposed on it or you during the term of this Agreement, you will be responsible for said fees. Recipients of home energy assistance will not be charged a termination fee.

5. Renewal. Upon completion of the Initial Term, this Agreement will automatically renew on a month-to-month basis. While taking service on a month-to-month basis ("Renewal Period"), the rate for natural gas will be a variable rate that may be higher or lower each month and will be set in Direct Energy's sole discretion. Direct Energy typically considers the following factors when setting variable rates:

- publicly available competitor pricing;
- strategic business objectives;
- customer retention or attrition;
- market volatility or uncertainty;
- anticipated customer usage;
- the cost of procuring gas including wholesale prices, ancillary service costs, capacity auctions, utility fees, transmission and distribution losses and storage costs;
- weather, supply congestion and infrastructure issues;
- legal or regulatory issues; and
- profit margin.

This list of factors is not exhaustive and no single factor will determine the rate. Some factors must be estimated or projected and the factors Direct Energy considers may be weighed differently each month. Direct Energy may amortize sudden cost increases over multiple billing cycles so that its customers do not bear the burden of such increases in a single month. In addition, Direct Energy seeks to acquire the majority of its anticipated natural gas supply in advance rather than from the spot market. **For all of these reasons, the variable rate may not correlate with changes in wholesale market prices or your local utility's rates.** In addition, the variable rate may be higher than your local utility rate or other suppliers' rates. To obtain your next month's variable price you may call us at 1-888-200-7930.

During such Renewal Period, there is no limit as to how much your variable rate may increase or decrease from one month to the next month.

A notice will be sent to you forty-five (45) days before the expiration of your Initial Term informing you of your impending automatic renewal. The notice will contain a copy of the Agreement with the proposed terms highlighting any changes in the material terms of this Agreement and it will inform you of your right to accept the Agreement with the proposed terms or your right to cancel this Agreement. If you find the proposed changes unacceptable, you can, without incurring a charge from Direct Energy, cancel this Agreement and choose another gas supplier. However, if you do terminate this Agreement and do not choose another gas supplier, you will return to the NGU for service.

6. Your Right to Rescind and Early Cancellation Policy. You have three (3) business days after you receive a written copy of this Agreement to cancel your enrollment with Direct Energy ("Rescission Period") by calling Direct Energy using the contact information set forth in Section 15 below. If you do so, Direct Energy will request the NGU to stop your enrollment. Thereafter, you may cancel service under this Agreement at any time during the Initial Term, subject to paying Direct Energy an early cancellation fee in the amount set forth in the Contract Summary. You can cancel service by contacting Direct Energy using the contact information set forth in Section 15 below. Your cancellation will not be effective until the next regularly scheduled meter read date following the date on which Direct Energy gives notice to the NGU of your cancellation request. Please see Sections 13 and 14 regarding the limitations of liability and indemnification provisions.

7. Relocation. You should notify both your NGU and Direct Energy of a change in your residence/service location at least thirty (30) days before such change. A final meter read will be made at your old address and your account will be finalized with both your NGU and Direct Energy. If you change your residence/service location within your NGU's service territory, then you may have the option of entering into a new Direct Energy gas supply contract for your new residence/service location. Direct Energy's contact information is set forth in Section 15 below. When you cancel, you will be responsible to pay for Direct Energy's service through the date that you are switched to another supplier or returned to service with your NGU and the early cancellation fee in the amount set forth in the Contract Summary.

8. Direct Energy's Right to Cancel Service. We have the right to cancel this contract for any reason as long as we give you thirty days' written notice, but if we are canceling the contract due to your conduct or your breach of this contract, you will have an opportunity to fix this condition within the thirty days. Your utility will control the effective date of our cancellation request, but this is usually the next date that your meter is read for natural gas and within 3 days for electricity. If your utility terminates your service, this contract will be automatically cancelled. **Note:** Your local utility is required by law to notify us if you begin receiving energy assistance through an approved program. If you are so identified by your utility or otherwise, we will notify you that your contract will be promptly cancelled early, and your service will be switched to your local utility's standard offer supply service. You will not be charged a cancellation fee. Once so identified: (i) we will continue to charge you your current contract price for the remainder of

your service unless your local utility's standard offer price is lower; and (ii) you will forfeit the ability to earn any awards from us.

9. NGU's Right to Cancel Service. If you are having trouble paying, contact your NGU to see if it has a payment plan or other solution available to you. If you do not pay the total natural gas charges on your bill, your natural gas service may be disconnected by the NGU. You could also incur late fees. Your NGU will give you notice in the time frame prescribed by the Commission before it disconnects your natural gas service. The NGU may also disconnect your natural gas service for other reasons, some of which require notice from the NGU before termination and some of which do not require notice. This Agreement is automatically cancelled if, for any reason, the NGU disconnects you and returns you to service with your NGU.

10. Disputes. You should contact Direct Energy regarding any dispute related to this Agreement. Direct Energy will attempt to resolve the dispute in an efficient, fair and timely manner. Direct Energy will provide an acknowledgment of your dispute within a reasonable time after receipt. Direct Energy will then issue a report within thirty (30) days after initiation of the dispute. Direct Energy will report to you the results of its investigation of the dispute, and that report will be available to you upon request. If you are not satisfied after discussing your terms of service with Direct Energy, you may contact the Commission. The contact information for both Direct Energy and the Commission is set forth in Section 15.

11. Title to Natural Gas. Title to the natural gas will pass from Direct Energy to you when it is delivered by Direct Energy to the NGU.

12. Force Majeure ("Uncontrollable Forces"). Direct Energy will make commercially reasonable efforts to provide gas service, but does not guarantee a continuous supply of natural gas. Certain causes and events out of the control of Direct Energy ("Force Majeure Event(s)") may result in interruptions in service. Direct Energy will not be liable for any such interruptions caused by a Force Majeure Event. Direct Energy does not transmit or distribute natural gas. Therefore, you agree that Direct Energy is not, and shall not be, liable for damages caused by Force Majeure Events, including but not limited to: acts of God, acts of any governmental authority, accidents, strikes, labor disputes or problems, required maintenance work, inability to access the local distribution utility system, non-performance by the NGU (including, but not limited to, problems with its gas distribution facilities or lines), changes in laws, rules, or regulations of any governmental authority (including, but not limited to, the Commission), or any cause beyond Direct Energy's control.

13. Limitations of Liabilities. THE REMEDY IN ANY CLAIM OR SUIT BY YOU AGAINST DIRECT ENERGY WILL BE LIMITED TO DIRECT, ACTUAL DAMAGES. BY ENTERING INTO THIS AGREEMENT, YOU HEREBY WAIVE ANY RIGHT TO ANY OTHER REMEDY. IN NO EVENT WILL DIRECT ENERGY OR ANY OF ITS AFFILIATES BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. DIRECT ENERGY IS NOT LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM: (A) INTERRUPTIONS TO, OR SHORTAGES OF, NATURAL GAS SUPPLY; OR (B) ERRORS IN THE QUANTITY, QUALITY AND MEASUREMENT OF NATURAL

GAS. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE.

14. Indemnification. You are responsible for, and will immediately indemnify Direct Energy against, any and all loss or damage resulting from: (a) your failure to fully comply with this Agreement; or (b) your use or misuse of natural gas after it is delivered to you.

15. Contact Information.

Direct Energy: You may contact Direct Energy in one of the following ways: (a) call 1-888-200-7930 or 1-844-827-0602 (Residential Door-to-Door customers only), Monday through Friday 8:00 a.m. to 8:00 p.m. EST, and Saturday 8:00 a.m. to 5:00 p.m. EST (contact center hours subject to change without notice); or (b) write to Direct Energy at PO Box 180, Tulsa, OK 74101-0180 (be sure to include your choice ID(s)). Direct Energy's website is: <http://www.directenergy.com>. Answers to frequently asked questions can be found on Direct Energy's website.

Your NGU: For your NGU's contact information, please refer to the Contract Summary.

The Commission: You may contact the Maryland Public Service Commission, with an Informal Complaint or otherwise, as follows: (a) call 1-800-492-0474; (b) write to 6 St. Paul Street, Baltimore, MD 21202-6806; or (c) website <http://www.psc.state.md.us/>.

16. Your Authorization to Release Your Information for Use and Sharing. By entering into this contract, you authorize us to act on your behalf under your utility's tariffs in accordance with the rules and regulations of the state public utility commission ("PUC") where you take service. You further acknowledge that this contract provides authorization for your local utility to release all information regarding your energy supply account(s) to us so we can provide the services described herein. This information may include, but is not limited to, usage information, billing determinants, bill cycle, budget billing status, address, account type, tax exemption status, rate service class, load profile, demand data, meter number, special account exceptions, public assistance status, existence of medical emergencies or disability, tax status and eligibility for economic development or other incentives, standard service status, electronic interval data when available, credit information when applicable, and all other data and information permitted by law to be disclosed to us to provide our services.

We also obtain information about you as outlined in our privacy policy (posted on our website) such as when you voluntarily provide personal information to us, use our website or mobile applications, or when we add information about you to your account profile from publicly available sources.

We will maintain the confidentiality of your personal information including your name, address, telephone number, email, account numbers, energy usage and historic payment information as required by applicable PUC regulations as well as federal and state laws.

Our use and sharing of your information will be consistent with the purposes and uses disclosed in our privacy policy, as amended from time to time and posted on our website. Your information may be disclosed if required by law, such as pursuant to a lawfully issued subpoena or other legal process. Further, you understand that your information may be disclosed to an affiliate or a third-

party to provide services or products to you, and any disclosure of such information will be made under confidentiality obligations not to disclose such information and to use it solely for the purpose of providing services to you or improved products to us. This authorization also allows us to contact you about our other products and services and to share information about your account with any designated rewards partner or with any affiliate, third-party vendor or marketing partner we use to provide services and rewards to you. We reserve the right to share your information with our affiliates and marketing partners, to the extent permitted by law and/or as authorized when you provide your consent.

If you do not wish for us to use or share information about your account in the manner described above, you may cancel this contract by calling us at our contact information listed herein.

17. Credit Checks. Direct Energy reserves the right to perform credit checks and request financial data on you. Direct Energy reserves the sole right to determine if your credit standing is satisfactory for originating natural gas supply service under this Agreement. Direct Energy can refuse service based on your credit standing. Direct Energy may require you to be current with your NGU payments or to submit a deposit (deposit will be no greater than two (2) months of your total natural gas service charges) for this Agreement as a condition of starting or continuing service in connection with this Agreement.

18. Choice of Law. This Agreement will be governed by Maryland law, without regard to its conflict of law principles.

19. Miscellaneous Provisions. This Agreement is subject to applicable laws and supersedes any previous promises, understandings and agreements. If any provision of this Agreement is deemed invalid, illegal or otherwise unenforceable, you agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If a provision cannot be modified in a manner that would make it valid, legal and enforceable, the provision shall be severed from the Agreement, and all other provisions shall remain in full force and effect. Any failure on our part to enforce any of the terms of this Agreement or to exercise any right under such terms shall not be considered a waiver of Direct Energy's right to enforce each and every such term, exercise such right or exercise any other right under this Agreement. You may not assign this Agreement without Direct Energy's prior written consent. Direct Energy may: (a) transfer or sell this Agreement or your account in connection with any financing; (b) assign this Agreement to any of its affiliates; (c) transfer or assign this Agreement to anyone succeeding to all or substantially all of Direct Energy's assets or business; and (d) transfer this Agreement to another gas supplier licensed by the Commission. After assignment, Direct Energy will have no further obligations under this Agreement. This Agreement is binding upon you and Direct Energy, and will further bind each of your successors and permitted assigns. There are no third-party beneficiaries to this Agreement.