

**THIRD PARTY SUPPLIER RESIDENTIAL AND SMALL NON-RESIDENTIAL  
SALES AGREEMENT**



*This notification is for illustrative purposes only, you will receive your personalized Contract Summary with your welcome packet upon the acceptance of your enrollment*

**CONTRACT SUMMARY**

<p><b>Third Party Supplier Information</b></p> <p><b>By entering into this contract, you are agreeing to purchase your electric supply from this supplier.</b></p>	<p><b>State of New Jersey License Number: ESL-0155</b>  <b>Residents Energy, LLC, P O B o x 4 0 0, Jamestown, NY 14702</b>  <b>1-888-828-7374, <a href="mailto:contactus@residentsenergy.com">contactus@residentsenergy.com</a> <a href="http://www.residentsenergy.com">www.residentsenergy.com</a></b></p> <p>You have chosen Residents Energy as your third party supplier (TPS). Residents Energy is not affiliated with your electric distribution company (EDC). Residents Energy is responsible for your electricity supply. The charges for the electricity supplied by Residents Energy will appear on the bills rendered to you by your EDC, separate and apart from your EDC's charges for delivering the electricity.</p>
<p><b>Price Structure</b></p>	<p>For the first _____ billing cycles the rate will be fixed. After that, the rate may vary based on numerous factors, including the ones detailed in the Terms &amp; Conditions. There is no cap on the variable rate.</p>
<p><b>Generation/ Supply Price</b></p>	<p>The fixed rate for the first _____ billing cycles will be _____ cents/kwh.</p>
<p><b>Statement Regarding Savings</b></p>	<p>The rate may be higher or lower than the EDC's rate in any month. There is no guaranty of savings.</p>
<p><b>Amount of time required to change from TPS back to default service or to another TPS</b></p>	<p>If you cancel your Residents Energy service to return to your EDC or to switch to another TPS, the change will take effect on the next available billing cycle date in accordance with your EDC's rules. It may take one or two billing cycles from the submission of the cancellation request.</p>
<p><b>Incentives</b></p>	<p><b>Rebate Programs:</b> From time-to-time Residents Energy may offer a rebate program for new customers who enroll with Residents Energy and maintain active accounts with Residents Energy for a specified period of time. To be eligible to earn a rebate under any such rebate program, Customer will have 60 days to complete a validation process in accordance with the instructions that will be provided to Customer.</p>
<p><b>Right to Cancel/Rescind</b></p>	<p>If you are a residential customer you may rescind your selection of Residents Energy by contacting your EDC (or by calling Residents Energy at 1-888-828-7374) within seven days of the date of the EDC's confirmation notice.</p>
<p><b>Contract Start Date</b></p>	<p>You will begin receiving electricity supply service from Residents Energy as of the next available billing cycle date as determined by your EDC.</p>
<p><b>Contract Term/Length</b></p>	<p>The fixed rate segment of this Agreement is _____ monthly billing cycles and this will be followed by the variable rate segment which will continue until either you or Residents Energy provides 30 days' notice of termination to the other.</p>
<p><b>Cancellation/Termination Fees</b></p>	<p>If you terminate this Agreement during the fixed rate segment, or if Residents Energy terminates this Agreement during the fixed rate segment due to your breach, you will pay a termination fee, as liquidated damages and not as a penalty, for each terminated account, equal to: \$10.00 for each month, or portion thereof, remaining in the fixed rate segment multiplied by the RCE Value (as defined in the Terms &amp; Conditions) of the account.</p>
<p><b>Renewal Terms</b></p>	<p>This Agreement will continue until either party terminates it.</p>
<p><b>Distribution Company Information</b></p>	<p>The EDC will continue to deliver the electricity to you and you will continue to make payments to the EDC for this service. In the event of any emergencies or outages you should call the EDC.</p>

**See the back of this form for complete terms of the Sales Agreement**

**1) SCOPE.** This is an agreement (“Agreement”) between you (also referred to as “Customer”) and Residents Energy, an independent third-party electricity supplier, under which you authorize enrollment of your electric account(s) with Residents Energy for electricity supply. These terms and conditions apply to the purchase by you and sale by Residents Energy, of electric generation supply service as specified herein.

**2) AGENCY.** Customer designates Residents Energy as its agent for receiving customer billing information from the local electric distribution company (“EDC”), and for procuring and scheduling the transmission and ancillary services necessary to deliver the electricity purchased by you to your EDC’s system.

**3) PRICE. A fixed rate is a rate that remains the same for a specified period of time. A variable rate is a rate that changes from time-to-time based on various factors, including weather fluctuations.** This Agreement has a fixed rate segment and a variable rate segment. For the first twelve (12) monthly billing cycles of your electricity supply pursuant to this Agreement, the rate for the electricity supplied will be fixed at \_\_\_\_\_ per kWh. After that, the rate for the electricity supplied will vary based on a number of factors including, but not limited to, current conditions on the PJM wholesale electricity market, the actual and estimated cost of obtaining electricity from all sources, capacity costs, settlement costs, costs of ancillary services, hedging costs, balancing costs, line loss costs, costs to comply with any applicable Renewable Portfolio Standards, Residents Energy’s expenses and margins, and all applicable taxes, fees, or assessments. Residents Energy’s rate, whether fixed or variable, may be higher than your EDC’s rate at any particular time; there is no guarantee of savings. For each monthly billing cycle, the price for the electricity supplied pursuant to this Agreement will be calculated by multiplying: (i) the fixed or variable rate for electricity, by (ii) the amount of electricity consumed as measured by your EDC’s estimated or actual meter reads.

**Rebate Programs:** From time-to-time Residents Energy may offer a rebate program for new customers who enroll with Residents Energy and maintain active accounts with Residents Energy for a specified period of time. To be eligible to earn a rebate under any such rebate program, Customer will have 60 days to complete a validation process in accordance with the instructions that will be provided to Customer. Customer will also have to be an active customer of Residents Energy, in good standing, at the time the rebate is to be issued in order to qualify for the rebate. Rebate amounts appearing in Residents Energy’s advertising materials or presented orally to potential customers are merely examples of rebate amounts that customers might be eligible to receive. The actual amount of any rebate will be computed by reference to Customer’s actual usage over the term of this Agreement, which may vary substantially from any estimate provided. Any rebate earned by Customer will be sent to Customer at the address provided by Customer during the validation process. Rebates can be issued in a variety of forms including, but not limited to, checks, stored-value cards, or electronic gift cards. Stored-value cards and electronic gift cards will be issued by an issuing bank, pursuant to a direct relationship between Customer and the issuing bank, and will be subject to the terms and conditions of a Cardholder Agreement. Stored-value cards and electronic gift cards will expire 6 months after issuance.

**Renewable/Green Energy Option:** Renewable/Green energy refers to energy that is generated from renewable sources, such as solar, wind, water or biomass. If a customer chooses the Renewable/Green Energy Option, Residents Energy will ensure that 100% of the customer’s electricity usage is matched with renewable energy certificates or renewable energy attributes. Residents Energy shall have up to 24 months from the end of each calendar year to address any deficiency that may have arisen in the renewable content of electricity sold under this Agreement during such calendar year.

**4) BILLING and PAYMENT.** You will normally receive one bill each month for your energy supply, issued either by your EDC or by Residents Energy. If your EDC issues the bill, you will pay the EDC in accordance with the payment terms of the EDC’s tariff. If Residents Energy issues the bill, payment of the full amount billed is due 25 days after the date the bill is mailed. Late payments or partial payment balances will be subject to collection fees and/or reasonable attorney’s fees and court cost, as allowed by law. All accounts which are overdue may be referred to a collection agency consistent with New Jersey law. Your bill will be based on scheduled meter readings and/or estimates provided by your EDC. The parties agree to accept, for purpose of accounting for the electricity delivered under this Agreement, the quantity, quality, and measurement determined by your EDC. A twenty- dollar (\$20) fee will be charged for all returned checks.

**5) TITLE and TAXES.** Under this Agreement, title to the electricity shall pass from Residents Energy to you prior to delivery to your EDC. Residents Energy’s rate includes applicable sales taxes.

**6) TERM; TERMINATION; TERMINATION FEES.** You will receive a confirmation notice from your EDC to confirm your choice of Residents Energy as your supplier. A residential customer will have seven (7) calendar days from the date of the notice to contact the EDC (or call Residents Energy at 1-888-828-7374) and rescind the selection

breach, Customer shall pay Residents Energy, in addition to any other applicable charges, a termination fee for each terminated account equal to: \$10.00 for each month, or portion thereof, remaining in the fixed rate segment of this Agreement multiplied by the RCE Value (as hereinafter defined) of the account. [The relative size of energy accounts is measured in Residential Customer Equivalents (RCEs). For electricity, one RCE represents annual consumption of 10,000 kWh. Using an RCE as the basic unit of measurement, Residents Energy assigns an "RCE Value" to each customer account based on the usage history for the account and other relevant factors.] The parties acknowledge and agree that the actual damages that Residents Energy will suffer as a result of Customer's early termination or breach are difficult to assess, the termination fee described herein is a reasonable estimate of such damages, and such termination fee constitutes liquidated damages rather than a penalty. Please note that it may take several billing cycles for your EDC to process the cancellation of service.

**7) ASSIGNMENT.** Residents Energy may assign or transfer its rights or obligations under this Agreement after first informing you in writing of such transfer or assignment. You may not assign or transfer your rights or obligations under this Agreement.

**8) CHOICE OF LAW.** This Agreement shall be construed in accordance with, and be governed by, the laws of the State of New Jersey with regard to the conflicts of law provisions thereof.

**9) NO WARRANTIES.** THERE ARE NO WARRANTIES OR REPRESENTATIONS OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN, AND NO OTHERS SHALL BE HONORED. Should any part of the Agreement be declared invalid for any reason, such decision shall not in any manner affect the validity of the remaining portions of this Agreement, which shall remain in full force and effect as if the part determined to be invalid has not been contained herein at the time of the execution of this Agreement. If at some future date there is a change in a law, rule, or regulation, whereby Residents Energy is prevented, prohibited or frustrated from carrying out the terms of this Agreement, then at the sole discretion of Residents Energy, this Agreement may be cancelled. If at some future date, there is a change in a federal or state approved tariff affecting Residents Energy's cost to purchase electricity required to provide your service, then, at the sole discretion of Residents Energy, this Agreement may be modified to reflect those costs, in which case Residents Energy will provide you with a written notice of such modification.

**10) FORCE MAJEURE.** Except as otherwise set forth herein, force majeure is the only excuse for non-performance and all other excuses (at law or in equity) are waived. Except from payment obligations, a force majeure event will, upon notice, excuse both parties' performance during the event. "Force Majeure" means those events not reasonably anticipated on the effective date hereof and outside the control of the claiming party and include force majeure events associated with your EDC or the commodity supplier or other entity used to deliver electricity to Customer's residence.

**11) LIMITATION OF LIABILITY.** In no event shall Residents Energy or Customer be liable to the other or to any third party for any indirect, incidental, consequential, punitive, reliance or special damages, including without limitation, damages for lost profits, advantage, savings or revenues of any kind or increased cost of operations, whether or not Residents Energy or Customer has been advised of the possibility of such damages. Customer acknowledges that Residents is not responsible for the delivery of electricity to Customer and as such is not responsible for any damages caused by any service outage, defect or failure. Residents Energy's liability for claims arising in connection with its service under this Agreement shall be limited to proven direct damages incurred by Customer, if any.

**12) INDEMNIFICATION.** Customer is responsible for the indemnification of Residents Energy against any and all liabilities resulting from Customer's failure to fully comply with this Agreement, except liability resulting from the negligence of Residents Energy.

**13) ENTIRE AGREEMENT.** This Agreement, including the Contract Summary, constitutes the entire agreement between you and Residents Energy. You acknowledge that you are not relying on any advice, statements, recommendations or representations of Residents Energy or its sales personnel other than those made in this Agreement, and that you have made your own decision to enter into this Agreement. Customer has caused this Agreement to be executed pursuant to the methods authorized by BPU regulations at N.J.A.C 14:4-2.3.

**14) DISPUTE RESOLUTION, MANDATORY ARBITRATION** You agree to contact Residents Energy in writing and attempt to resolve all billing disputes or service problems directly in good-faith. All disputes regarding transmission, distribution, power outages, and bills from your EDC should be directed to your EDC. Any claim for damages arising out of, or related to, the provision of Residents Energy's services under this Agreement that is not resolved directly between the parties, shall be resolved by arbitration before the American Arbitration Association ("AAA") conducted under the AAA Commercial Rules and, if Customer is a residential customer, the Consumer-Related Disputes Supplementary Procedures.

BY ENTERING INTO THIS AGREEMENT, YOU ARE GIVING UP YOUR RIGHTS TO SEEK MONETARY DAMAGES IN COURT AND THE RIGHT TO A JURY TRIAL. THE ABILITY TO CONDUCT DISCOVERY

**16) CONTACT INFORMATION.** Any questions regarding these terms and conditions or your service with Residents Energy should be directed to us in writing at Residents Energy, LLC, PO Box 400, Jamestown, NY 14702. Residents Energy may also be contacted at 1-888-828-7374. Your EDC will continue to deliver the electricity to you, you still make payment to your EDC for this service and you will still call your EDC in the case of an energy related emergency such as a power outage. Your EDC's contact information is provided in the Contract Summary.