



RESIDENTS ENERGY, LLC
PO Box 400, Jamestown, NY 14702
1-888-828-7374 (M-F 9:00am to 5:00pm ET)
www.ResidentsEnergy.com

MICHIGAN – GAS CUSTOMER CHOICE CONTRACT
VARIABLE RATE (ResiFlex)

<<Insert Customer Name, Address, City Zip Code>>

- CONTRACT SUMMARY -

Rates and Product Information	
Price	The rate for the natural gas supplied pursuant to this Agreement will be a Variable Rate.
Length of contract:	Residents Energy’s natural gas supply service will begin on the date set by your natural gas utility (NGU) and it will continue until either you or Residents Energy provides notice of termination to the other and the NGU completes the termination in accordance with its rules.
Early Termination Fees	
Early Termination Fee:	There is no early termination fee for a Variable Rate agreement.
Right to Cancel	
Cancellation:	A residential or small commercial customer shall have a 30-day unconditional right to cancel this Agreement without penalty. The first day of the 30-day period is the day after the Agreement is entered into. To exercise this right, the customer should call Residents Energy at 1-888-828-7374 or write to Residents Energy at PO Box 400, Jamestown, NY 14702.
Promotional Offer	
Promotion:	<<Insert Promotion Language if Applicable>>

RESIDENTS ENERGY, LLC – State of Michigan – Terms & Conditions – Natural Gas

1. AGREEMENT TO SELL AND PURCHASE ENERGY. These Terms and Conditions, together with the Contract Summary, and Customer Authorization Form where applicable, constitute your contract with Residents Energy, LLC (“Residents Energy”) for natural gas supply (this “Agreement”). Under this Agreement, Residents Energy agrees to sell, and you (also referred to herein as “Customer”) agree to purchase and accept, the quantity of natural gas necessary to meet your requirements, as estimated by Residents Energy based upon consumption data obtained by Residents Energy and the delivery schedule of the natural gas utility (the “NGU”). Residents Energy is not affiliated with, and does not represent, the NGU. The NGU remains responsible for the delivery of the natural gas to Customer’s premises and will continue to respond to any service calls and emergencies.

2. INFORMATION RELEASE AUTHORIZATION. Customer hereby authorizes the NGU to release to Residents Energy, and authorizes Residents Energy to obtain from the gas utility and review, detailed information regarding Customer’s account including, but not limited to: account number; meter number; consumption history; billing determinants; payment history; credit information; public assistance status; and participation in utility low income discount programs. This information may be used by Residents Energy to determine whether it will commence and/or continue to provide natural gas supply service to Customer. This authorization will remain in effect for the duration of this Agreement. Customer may rescind this authorization at any time by providing written notice thereof to Residents Energy or by calling Residents Energy at 1-888-828-7374. Residents Energy reserves the right to cancel this Agreement in the event Customer rescinds the authorization.

3. PRICE. For each billing cycle, Residents Energy’s charges for the natural gas supplied pursuant to this Agreement will be calculated by multiplying (i) the Variable Rate or Fixed Rate for the natural gas, by (ii) the amount of natural gas consumed, as determined by the NGU’s actual or estimated meter reads. Residents Energy’s rate for the natural gas does not include taxes, the NGU’s distribution charge, or other NGU fees or charges.

Variable Rate (ResiFlex) Plan: If your Contract Summary indicates that you have chosen a Variable Rate (ResiFlex) plan, the rate for the natural gas supplied pursuant to this Agreement may change each month. When calculating the “adder” component of its Variable Rate, Residents Energy may consider numerous factors including, but not limited to, the wholesale cost of natural gas, capacity costs, storage costs, balancing costs, cost of transportation of natural gas to the delivery point, Residents Energy’s expenses and margins and all applicable taxes, fees, or assessments. The adder will not exceed \$1.099 per CCF(DTE/MGU) or Therm(SEMCO) [\$10.99 per MCF(Consumers)]. To calculate its Variable Rate, Residents Energy will add the adder to the prior month’s NYMEX closing settlement. [For example, if the NYMEX closing settlement was \$0.330 per CCF/Therm (\$3.30 per MCF), the Variable Rate will not exceed \$1.429 per CCF/Therm (\$14.29 per MCF).] Residents Energy’s Variable Rate may go up or down and may be higher or lower than the NGU’s rate in any particular month or over the duration of this Agreement, and Residents Energy cannot guarantee savings as compared to the NGU’s rates. The Variable Rate does not include the NGU’s charges and fees.

Fixed Rate (ResiSure) Plan: If your Contract Summary indicates that you have chosen a Fixed Rate (ResiSure) plan, the rate for the natural gas supplied pursuant to this Agreement for the Initial Term will be the Fixed Rate set forth on the Contract Summary. Upon expiration of the Initial Term, your Residents Energy gas supply service will continue on a month-to-month basis with a Variable Rate.

4. BILLING AND PAYMENT. You will normally receive one bill each month issued by the NGU. Payment terms are governed by the terms of the gas utility’s tariff if the gas utility issues the bill. If Residents Energy issues the bill, payment of the full amount billed is due twenty-five (25) days after the date the bill is mailed. Late payments or partial payment balances will be subject to collection fees and/or reasonable attorneys’ fees and court costs, as allowed by law. All accounts, which are overdue, may be referred to a collection agency consistent with the laws of the State of Michigan. Your bill will be based on scheduled meter readings and/or estimates provided by the NGU. The parties agree to accept, for purposes of accounting for natural gas delivered under this Agreement, the quantity, quality, and measurement determined by the gas utility. A twenty-dollar (\$20) fee will be charged for all returned checks.

5. TITLE AND TAXES. Under this Agreement, title to the natural gas shall pass from Residents Energy to you prior to delivery to the NGU. Our price does not include sales taxes that may apply, and these taxes generally will appear as a separate item on your bill. You shall reimburse Residents Energy for sales or other taxes, however designated, imposed

with respect to the sale or transportation of the natural gas unless, prior to execution of this Agreement, you have given us a valid tax exemption certificate(s).

6. TERM, TERMINATION AND EARLY TERMINATION FEES. For the Variable Rate (ResiFlex) plan, this Agreement shall commence as of the date Customer's enrollment with Residents Energy is deemed effective by the NGU, and it shall continue on a month-to-month basis until terminated by you or Residents Energy. Customer may terminate this Agreement at any time by providing verbal or written notice to Residents Energy. There is no early termination fee for termination of a Variable Rate (ResiFlex) plan. In the event of termination, Residents Energy will notify the NGU and the NGU will complete the termination on the next available date in accordance with its rules. If this Agreement is terminated and Customer does not enroll with a new supplier, Customer will return to NGU for supply service.

For the Fixed Rate (ResiSure) plan, this Agreement shall commence as of the date Customer's enrollment with Residents Energy is deemed effective by the NGU, and it shall continue for the number of monthly billing cycles set forth on the Contract Summary ("Initial Term"). Upon expiration of the Initial Term, your Residents Energy gas supply service will continue on a month-to-month basis with a Variable Rate until terminated by you or Residents Energy. Residents Energy will provide Customer with written notice of the pending expiration of the Initial Term of the Agreement at least 60 days prior.

For the Fixed Rate (ResiSure) plan, unless your Contract Summary indicates that this provision is waived, if Customer terminates this Agreement during the Initial Term, or if Residents Energy terminates this Agreement due to Customer's breach, Customer shall pay Residents Energy, in addition to any other applicable charges, an early termination fee equal to: \$10 for each monthly billing cycle, or portion thereof, remaining until the end of the Initial Term. Notwithstanding the foregoing, the maximum early termination fee for residential contracts of one year or less shall not exceed \$50. The maximum early termination fee for residential contracts of longer than one year shall not exceed \$100. The maximum early termination fee for small commercial contracts of one year or less shall not exceed \$150. The maximum early termination fee for small commercial contracts of longer than one year shall not exceed \$250. 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 early termination fee described herein is a reasonable estimate of such damages, and such early termination fee constitutes liquidated damages rather than a penalty.

For both the Variable Rate (ResiFlex) plan and the Fixed Price (ResiSure) plan, if you breach this Agreement, including but not limited to, by failing to pay your bill, Residents Energy may terminate this Agreement.

If Customer returns to the NGU for supply service, the NGU may charge a \$10 switching fee if Customer made a prior switch within a 12-month period. Additionally, if Customer chooses to switch back to the NGU for supply service Customer will be required to remain with the NGU for a period of 12 months.

7. RIGHT OF CANCELLATION. A residential or small commercial Customer shall have a 30-day unconditional right to cancel this Agreement without penalty. The first day of the 30-day period is the day after the Agreement is entered into. To exercise this right, the customer should call Residents Energy at 1-888-828-7374 or write to Residents Energy at PO Box 400, Jamestown, NY 14702.

8. SPECIAL PROGRAMS. Rebate Program: 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.

Carbon Offset Gas Program: If you have chosen to participate in the Carbon Offset Gas program, Residents Energy will purchase carbon offsets and/or carbon credits to match 100% of your natural gas consumption (at a rate of 1 metric ton of offsets/credits per 188.6 therms of natural gas supplied). Residents Energy may take up to 12 months following each calendar year in which this Agreement is in effect to address any deficiency in the carbon offsets/credits purchased. If you have chosen a Variable Rate (ResiFlex) plan and the Carbon Offset Gas program, or if you have chosen a Fixed Rate (ResiSure) plan and the Carbon Offset Gas program and the Initial Term of your Agreement has expired, your rate for the natural gas supplied will be Residents Energy's standard Variable Rate plus an "adder" of up to 20¢ per CCF/Therm (\$2.00 per MCF). If you wish to be removed from the Carbon Offset Gas program, you may call Residents Energy at 1-888-828-7374.

9. 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.

10. CHOICE OF LAW. This Agreement shall be construed in accordance with and be governed by the laws of the State of Michigan without regard to the conflicts of law provisions thereof.

11. NO WARRANTIES. Customer acknowledges and agrees that no warranty, duty or remedy, whether expressed, implied or statutory, is given or intended to arise out of this Agreement except as otherwise expressly stated herein, and Residents Energy specifically disclaims all other warranties, expressed or implied including any warranty of merchantability or fitness for a particular purpose or use.

12. SEVERABILITY. Should any part of this Agreement be declared invalid for any reason, such decision shall not in any manner affect the validity of the remaining portion of this Agreement, which shall remain in full force and effect as if the part determined to be invalid had not been contained herein at the time of the execution of this Agreement. If at some future date there is a change in any law, rule, or regulation whereby Residents Energy is prevented, prohibited or frustrated from carrying out the terms of the 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 costs to purchase the natural gas required to provide your service, then, at the sole discretion of Residents Energy, this Agreement may be modified to reflect those costs.

13. FORCE MAJEURE. Residents Energy will make commercially reasonable efforts to provide natural gas hereunder but does not guarantee a continuous supply of natural gas to Customer. Certain causes and events out Residents Energy's control ("Force Majeure Events") may result in interruptions in service. Residents Energy will not be liable for any interruptions caused by a Force Majeure Event, and Residents Energy is not, and shall not be, liable for damages caused by Force Majeure Events. Force Majeure Events shall include fire, flood, storm, terrorism, war, civil disturbance, 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 gas utility (including, but not limited to, a facility outage in its facilities), or any other cause beyond Residents Energy's control.

14. 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. Residents Energy's liability and Customer's exclusive remedy against Residents Energy, for any damages caused by any service outage, defect or failure, shall be the termination provisions set forth above in Section "6." Residents Energy's liability for other claims arising in connection with any service under this agreement, if not otherwise limited by another provision of this Agreement, shall be limited to proven direct damages not to exceed per claim (or in the aggregate during any 12-month period), the total net payments made by Customer for the applicable service during the 12 months preceding the month in which the damage occurred.

15. INDEMNIFICATION. Customer is responsible for, and will indemnify Residents Energy against, any and all liabilities resulting from Customer's failure to fully comply with this Agreement, and damage or injury caused by the natural gas after its delivery to Customer's premises.

16. DISPUTE RESOLUTION, MANDATORY ARBITRATION and CLASS ACTION WAIVER. All disputes regarding distribution, service outages, and bills from the gas utility should be directed to the gas utility. In the event of a dispute relating to Residents Energy's services hereunder, Customer shall first contact Residents Energy and attempt to resolve the dispute directly. Customer and Residents Energy shall try in good faith to resolve the dispute. Customer must pay the bill in full, except for the specific disputed amount, during the pendency of the dispute. Any dispute, controversy or claim arising out of, or related to, Residents Energy's services under this Agreement that is not resolved directly between the parties or by the Michigan Public Service Commission (collectively, the "Claims"), 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 REMEDIES IN COURT, AND THE RIGHT TO A JURY TRIAL. THE ABILITY TO CONDUCT DISCOVERY IN ARBITRATION IS LIMITED AND THE ARBITRATOR'S DECISION IS SUBJECT TO VERY LIMITED REVIEW BY COURTS. ARBITRATORS CAN AWARD THE SAME DAMAGES AND RELIEF THAT A COURT CAN AWARD. THE AAA SHALL HAVE THE POWER TO RULE ON ANY CHALLENGE TO ITS OWN JURISDICTION OR TO THE VALIDITY OR ENFORCEABILITY OF ANY PORTION OF THIS ARBITRATION PROVISION.

THE PARTIES AGREE THAT ALL CLAIMS INCLUDING STATUTORY, STATE OR FEDERAL CLAIMS, MAY BE MADE SOLELY ON AN INDIVIDUAL BASIS, AND THAT THIS AGREEMENT DOES NOT PERMIT CLASS ACTIONS, EITHER IN ARBITRATION OR THROUGH A COURT PROCEEDING. FURTHER, CUSTOMER WILL NOT HAVE THE RIGHT TO PARTICIPATE IN A REPRESENTATIVE CAPACITY OR AS A MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION. AAA MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. IN THE EVENT THE PROHIBITION ON CLASS ARBITRATION IS DEEMED INVALID OR UNENFORCEABLE, THEN THE REMAINING PORTIONS OF THIS ARBITRATION PROVISION WILL REMAIN IN FORCE. JUDGMENT ON THE ARBITRATOR'S AWARD CAN BE ENTERED IN ANY COURT HAVING JURISDICTION. THIS AGREEMENT EVIDENCES A TRANSACTION IN INTERSTATE COMMERCE, AND THUS THE FEDERAL ARBITRATION ACT GOVERNS THE INTERPRETATION AND ENFORCEMENT OF THIS PROVISION. THIS ARBITRATION PROVISION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

17. MODIFICATION. Residents Energy may modify the terms of this Agreement at any time and such amended Agreement will supersede any previous agreement between Customer and Residents Energy. Residents Energy will provide Customer thirty (30) days' prior written notice of any such modification. After receipt of such notice, Customer may cancel the Agreement, without penalty, by providing written notice to Residents Energy before the commencement of the next billing cycle.

18. PROTECTION OF CUSTOMER RIGHTS. Residents Energy hereby provides notice that its services are governed by the terms of this Agreement, the rules and regulations issued by the NGU and the Michigan Public Service Commission (PSC). Your NGU's distribution functions will continue to be regulated by the PSC. Natural gas service may be disconnected only by the NGU and only in compliance with rules set by the PSC.

19. CONTACT INFORMATION. Any questions regarding these terms and conditions or your service with Residents Energy may be directed to us in writing at Residents Energy, LLC, PO Box 400, Jamestown, NY 14702. Residents Energy may also be contacted by telephone at 1-888-828-7374, or by e-mail at contactus@residentsenergy.com. Residents Energy's website is www.ResidentsEnergy.com. Customer shall be responsible for providing Residents Energy with up-to-date contact information, including telephone number and email address. Customer agrees to receive all notices, including those referenced in this Agreement, by email.

20. ENTIRE AGREEMENT. This Agreement, together with the Contract Summary, and Customer Authorization Form where applicable, 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 the written statements in this Agreement and that you have made your own decision to enter into this Agreement.