

Contract and Disclosure Statement Summary Pennsylvania Residential Contract

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| Electric Generation Supplier Information: | Constellation NewEnergy, Inc. is your electric generation supplier. You can call us at our toll-free number 1-800-785-4373 between 8:00 AM and 8:00 PM eastern prevailing time (not including weekends or holidays) or email us at home@constellation.com . We are responsible for costs associated with the generation and transmission of your electricity supply. |
| Price Structure: | Your contract price is fixed for the initial term of the plan. Your contract price includes gross receipt taxes. |
| Generation/Supply Price: | 9.49 ¢/kWh for the 12 month Plan. |
| Statement Regarding Savings: | During the term of your contract, the price may be higher or lower than the EDC's price-to-compare, which changes over time based upon your EDC's procurement structure. Therefore savings are not guaranteed. |
| Deposit Requirement | None. |
| Incentives: | There are no offers currently available. |
| Contract Start Date: | We will begin supplying electricity to your account as soon as the EDC processes your enrollment for the term stated below. This may take up to two billing cycles. |
| Contract Term/Length: | 12 Months |
| Cancellation/Early Termination Fees: | State law provides you with a 3-day rescission right from receipt of your written disclosure statement. In addition, we provide a 90-day Satisfaction Guarantee period to terminate this contract without an early termination fee, though you will be responsible for any charges associated with the electricity you use. If you terminate this contract outside of both of these time periods you will be charged an early termination fee of \$150. If we terminate this contract because: you provide inaccurate or misleading information, you do not pay your invoices, or you otherwise breach your obligations as stated under the Termination and Termination Fees section of the contract, then you will be charged a termination fee of \$150. |
| Renewal Terms: | You will receive two separate written notifications in advance of the expiration date of your contract. You will receive the first notice 60-45 days in advance of the expiration date, and you will receive the second at least 30 days in advance. These notifications will explain your options going forward. If you fail to respond to these notices, we may extend your contract for 12 months at the price in your renewal notices however you may terminate the renewal term at any time effective as of the next applicable EDC meter read date without incurring an early termination fee. |
| Electric Distribution Company Information: | Your EDC is responsible for distribution charges. In cases of emergencies relating to your service, such as a power outage, please call your EDC: Pennsylvania Power & Light Company at 800 342 5775, Philadelphia Electric Company at 800 841 4141, West Penn Power at 800 255 3443, Metropolitan Edison Company 888 544 4877, Pennsylvania Electric Company at 888 544 4877, Pennsylvania Power Company at 888 544 4877, or Duquesne Light at 888 393 7000. |

CONSTELLATION CONSUMER CONTRACT AND DISCLOSURE STATEMENT OF TERMS OF SERVICE PENNSYLVANIA RESIDENTIAL ELECTRIC GENERATION SERVICE LICENSE NUMBER A-110036

Purchase of Power and Energy Service

Constellation NewEnergy, Inc. ("Constellation") agrees to sell, and you agree to buy, your full requirements for residential electric generation service at the price and on the terms and conditions specified in this Consumer Contract and Disclosure Statement (the "Contract"). Price and other terms of this Contract are subject to change as provided below. Constellation reserves the right to revoke its electricity offer for any reason at any time prior to your acceptance of this Contract. Throughout this Contract, the words "you" and "your" refer to the customer who has signed this Contract. The words "we", "us" and "our" refer to Constellation. Constellation is an independent seller of electric generation service licensed by the Pennsylvania Utility Commission ("PUC") and is not representing or acting on behalf of the electric distribution company responsible for the service territory where you reside, i.e. Pennsylvania Power & Light Company, Philadelphia Electric Company, West Penn Power, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, or Duquesne Light (each referred to as the "Electric Distribution Company" or "EDC"), any governmental bodies, or consumer groups. You will receive written notification from the EDC confirming a pending switch of your electric generation supply.

Term

The initial term of the Contract will be 12 months (the "12 Month Plan") based on your election, beginning on the starting date that is the next meter read date after the EDC processes your enrollment (the "Starting Date"). Your switch to Constellation as your electric generation supplier may take up to 2 billing cycles to take effect.

Guarantee Period

In addition to the 3-day rescission period described below in the "Rescission" section, Constellation offers a 90-day guarantee where you may cancel this Contract without incurring an early termination fee (the "Guarantee Period"). To activate this guarantee, you must notify us in writing or by calling our customer care center at 1-877-997-9995 in addition to contacting your EDC or alternative energy supplier; otherwise the early termination fee will apply. Upon your termination of this Contract during the Guarantee Period, we will return you to being supplied by the EDC at your next available meter read date and you will remain responsible for payment for electricity and related costs and charges incurred under this Contract through such meter read date. Any incentives we may offer in connection with you entering into this Contract will be provided to you after the Guarantee Period has expired provided you have not terminated our Contract.

Fixed Pricing

By choosing the 12 Month Plan, your price for electric generation service will be 9.49 cents per kWh from the Starting Date through the meter read date 12 months after the Starting Date. This price includes Transmission Charges and Estimated Total State Taxes, including the Gross Receipts Tax, but excludes applicable state and local Sales Taxes. This fixed price does not include Distribution Charges (as defined below) or any other EDC charges (which will be invoiced by the EDC).

Key Pricing Definitions

"Distribution charges" are part of the basic service charges on every customer's bill for delivering electricity from the EDC to your home. The PUC regulates distribution prices and services. This charge will vary according to how much electricity you use.

"Generation charges" are charges that represent the cost of producing the electricity and are specific to this Contract. Generation prices and charges are set by the electric generation supplier you have chosen, which is Constellation. This charge will vary according to how much electricity you use.

"Transmission charges" are charges that represent the cost of transporting electricity from the source of supply to the EDC. This charge will vary with your source of supply. The Federal Energy Regulatory Commission regulates transmission prices and services.

Other Pricing Terms

The fixed price charged for electric generation service under this Contract is reflective of competitive market conditions, was not set or approved by the PUC and does not include any applicable taxes (other than gross receipt taxes) or local distribution company fees or charges, which will be charged by the EDC. Based on the information provided by you during your sign-up, this address is your personal residence, vacation home or residential rental property or you are the parent or guardian for the person residing here, and you are paying the EDC bill. Accordingly, under current applicable laws, we are not required to assess sales taxes on our charges under this Contract. There is no charge for entering into this Contract or for terminating this Contract at the end of the then-applicable Contract term as provided in the "Term" and "Renewal" sections. Under certain other circumstances, you may be responsible for payment of an early termination fee as provided in the "Termination" section below.

Rescission

You may cancel this Contract at any time before midnight of the third business day after receiving this disclosure by either notifying us in writing at the address provided below or by phone by calling us at 1-800-785-4373 that you would like to rescind this Contract.

Price Comparison

Because the EDC's tariff rates and other factors relevant to the EDC's current price to compare likely will change from time to time, Constellation cannot guarantee savings over the EDC's rates for the entire term of this Contract or any renewals and any savings are limited to a comparison against the EDC's price to compare applicable at the time you enter into this Contract.

Net Metering

If you currently own or plan to install during the term of this Contract solar, wind, or other eligible renewable electrical generating facilities in order to supply all or part of your electricity usage and such generating facility is or will be net metered by the EDC you must notify us in order for us to determine your eligibility and to properly enroll or continue to serve you.

Renewal

THIS CONTRACT WILL AUTOMATICALLY RENEW AS DESCRIBED IN THIS SECTION. IN ORDER TO CANCEL BEFORE AN AUTOMATIC RENEWAL OF THIS CONTRACT, PLEASE NOTIFY US IN WRITING OR BY PHONE AS DESCRIBED IN THIS SECTION. Unless terminated earlier as provided in the "Termination" section, if you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change the terms of this Contract, you will receive two written notifications ("contract renewal notices") from us in corresponding separate mailings that precede either the expiration date or the effective date of the proposed changes, as the case may be. We will explain your options to you in these two contract renewal notices. The first of these notices will occur between 60-45 days prior to the expiration date of the Contract or the effective date of the proposed Contract change; the second of these notices will occur at least 30 days prior to the Contract's expiration or the effective date of the proposed Contract change. The [second] contract renewal notice will set forth the proposed price for the renewal term, the proposed length of the renewal term, the bill cycle in which service under the new term will begin and any other proposed changes to the terms and conditions of this Contract. YOU MAY, HOWEVER, TERMINATE THE CONTRACT DURING ANY RENEWAL PERIOD AT ANY TIME 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.

Initiation of Service

THE PURPOSE OF THIS DOCUMENT IS TO AUTHORIZE CONSTELLATION TO CHANGE YOUR ELECTRIC GENERATION SERVICE SUPPLIER AND, BY ENTERING INTO THIS CONTRACT, YOU AUTHORIZE CONSTELLATION TO UNDERTAKE WHATEVER STEPS NECESSARY TO ACCOMPLISH YOUR SWITCH. Constellation will begin providing electric generation service to you on the next applicable meter read date after the EDC processes your enrollment and your service will continue throughout the term of this Contract. The EDC will notify you of the date on which your electric generation service from Constellation will begin. Constellation's electric generation service will be delivered to your residence using the EDC's electricity distribution wires. You represent and warrant that the electricity supply being purchased under this Contract is to be used solely for residential purposes. Constellation's obligations under this Contract are conditioned on you providing complete and accurate information and on you remaining a EDC distribution customer throughout the term under the applicable residential electric rate class.

Billing and Payment

The cost of your electric generation service will be included on your bill from the EDC, and is due and payable when your EDC bill is due at the billing address provided in your EDC bill. You acknowledge that the EDC may provide us with your billing and payment information. You will be invoiced for Constellation's charges under this Contract at the applicable price set forth in the "Fixed Pricing" section above (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 your electricity usage as measured by the EDC in kWh during the applicable billing period. You agree to accept the measurements as determined by the EDC for purposes of accounting for the amount of power and energy services provided by us under this Contract. If the EDC is unable to read your meter, the EDC will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill. Supplying you under this Contract is conditioned on the EDC accepting our enrollment of your account and your continued eligibility for consolidated billing by the EDC. If you are not eligible for consolidated billing, you need to remedy that restriction with the EDC before we can serve you. Should the EDC cease providing consolidated billing for your account and/or commence billing us for any charges relating to you, we will bill you and you will pay us for all such charges. You will be billed additional charges, including taxes and charges to distribute the electricity to your home, from the EDC consistent with its filed tariffs. You are responsible for paying any new or increased taxes, fees or other charges imposed on us or you in connection with our supply of electricity to you during the term of this Contract. Constellation reserves the right to change billing methods. If we change our billing methods, we will send you two (2) advance written notices either in your bills or in separate mailing before the effective date of any such change.

Budget Billing

If you are interested in budget billing for your generation charges contact Constellation for additional information and availability. Contact your Utility for questions related to budget billing of the Utility's charges.

Late or Insufficient Payment

If Constellation directly invoices you, you are required to pay our invoices by the due date set forth in the invoice, which will be 20 days from the date the invoice was mailed. WE RESERVE 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 US OUR COSTS INCURRED IN COLLECTING AMOUNTS OWED US, INCLUDING REASONABLE ATTORNEY'S FEES AND RETURNED CHECK CHARGES. IF YOU MAKE 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 YOU AND WE MAY APPLY IT TO YOUR ACCOUNT(S) AS A PARTIAL PAYMENT. IN ADDITION, IF YOU FAIL TO REMIT PAYMENT IN A TIMELY FASHION, YOU AUTHORIZE US TO REPORT THE DELINQUENCY TO ONE OR MORE CREDIT-REPORTING AGENCIES.

Credit

If Constellation bills you directly for energy supply, Constellation reserves the right to determine if your credit standing is satisfactory for originating or continuing electric generation service under this Contract. Consistent with applicable law, Constellation uses uniform income, deposit and credit requirements in determining whether to offer service to our customers. You hereby authorize Constellation to perform a credit check on you.

Termination and Termination Fees

Constellation may terminate this Contract for any non-payment or any other breach of this Contract upon 30 days' prior written notice to you of such termination. If you fail to cure within the 30-day notice period, we may terminate the Contract even if you subsequently cure the non-payment or breach after such period has expired. Constellation may also cancel this Contract after providing the required regulatory notice to you due to a change in law or other act beyond our reasonable control or if we are no longer able to serve you. We reserve the right to reject your enrollment or terminate this Contract if:

- you fail to meet or maintain satisfactory credit standing as determined by us;
- you move within or outside of the EDC's service territory or you fail to remain a EDC distribution customer throughout the term under the applicable residential electric rate class;
- you fail to be eligible for EDC consolidated billing throughout the term;
- you rescind your authorization for release of information provided in the "**Information Release Authorization**" section below; or
- you provide any false, inaccurate or misleading information to Constellation or the EDC; or
- if after receiving the required notice set forth in the Change in Pricing and Other Terms section you fail to affirmatively accept the new contract terms we propose to you which address unanticipated increased costs resulting from a change in, or modification of an existing law. In this instance you will not be responsible for an early termination payment.

You may terminate this Contract during the Guarantee Period in accordance the "**Guarantee Period**" section above without incurring an early termination fee. YOU MAY ALSO TERMINATE THIS CONTRACT PRIOR TO THE END OF THE APPLICABLE TERM FOR YOUR CONVENIENCE, IN WHICH CASE UNLESS OTHERWISE REQUIRED BY LAW YOU WILL BE CHARGED A TERMINATION FEE OF \$150. IN ADDITION, YOU WILL BE CHARGED A TERMINATION FEE OF \$150 IF WE TERMINATE THIS CONTRACT AS A RESULT OF ANY NON-PAYMENT OR OTHER BREACH OF THIS CONTRACT OR IF YOU PROVIDE ANY FALSE, INACCURATE OR MISLEADING INFORMATION.

Upon any termination of this Contract, you will return to receiving default service from the EDC unless you have selected another electric generation supplier. The effective date of any termination will be the next applicable meter read date after expiration of the required notice period. Upon any termination, you will remain responsible for all obligations, including payment for electricity and related costs and charges incurred under this Contract prior to the effective date of termination including any applicable termination fee. The delivery of electricity to you cannot be terminated or interrupted by the EDC as a result of any dispute between Constellation and you but may be terminated by the EDC for nonpayment of EDC charges in accordance with applicable law. The EDC will continue to respond to any service calls and emergencies and switching to Constellation will not impact your electric service reliability. If the EDC purchases the right to receive your payments under this Contract, your payment obligations may become EDC charges for purposes of termination of service.

Assignment, Address Change

Upon 30 days written notice to you, Constellation may assign, subcontract or delegate all or any part of our rights and/or obligations under this Contract, including your payment obligations under this Contract, without your consent. You may not assign any of your rights or obligations under this Contract without our prior written consent. If you move, you may terminate our Contract. You will be responsible for paying for all electricity supplied to your old address until the date this Contract is terminated in accordance with its terms. If you move within the EDC's service territory, you must contact the EDC at the number provided in the "**Contact Information**" section below in order to obtain new account and meter numbers for your new residence. Please contact us if you would like us to serve you again at your new location.

Change in Pricing and Other Terms

In addition to Constellation's right to revise the price, terms and conditions of this Contract as provided in the "**Renewal**" section above, this Contract may be revised at any time by Constellation upon the occurrence of any event beyond its reasonable control that materially increases the obligations of Constellation or the cost of performing such obligations under this Contract. If you have a fixed term agreement with us, then whenever we propose to change the terms of this Contract, you will receive two written notifications from us in corresponding separate mailings that precede either the expiration date or the effective date of the proposed changes. We will explain your options to you in these two advance notifications. The first of these notices will occur between 60-45 days prior to the expiration date of the Contract or the effective date of the proposed Contract change; the second of these notices will occur at least 30 days prior to the Contract's expiration or the effective date of the proposed Contract change. As the options notice will describe, if you do not consent to these changes, your electric generation service will terminate effective as of the next meter read date after expiration of the required notice period. You will remain responsible for any unpaid balance as of the termination date but we will not assess a termination payment.

Information Release Authorization

Throughout the term, you authorize Constellation to obtain information from the EDC that includes, but is not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electricity usage, rate classification, meter readings, characteristics of electricity service and, when charges hereunder are included on your EDC bill, billing and payment information from the EDC. You authorize Constellation to release such information to third parties that need to know such information in connection with your power and energy service and to Constellation's affiliates and subcontractors. These authorizations will remain in effect as long as this Contract is in effect. You may rescind these authorizations at any time by either calling or providing written notice to us at the number and/or address provided below under the Contact Information section of the Contract. We reserve the right to the extent permitted by law to reject your enrollment or terminate this Contract in the event these authorizations are rescinded.

Dispute Resolution

If you have a billing or other dispute involving our service, please contact us at 1-800-785-4373. You may withhold payment of any disputed charges while the charges remain in dispute. You may contact the PUC if after discussing with us you are not satisfied with our resolution.

Limitation of Liability; Jury Trial Waiver

You agree that neither Constellation nor any of its affiliates or subcontractors will be liable for any damages or claims for matters within the control of the EDC or the ISO-controlled electricity grid, which include maintenance of electric lines and systems, service interruptions, loss or termination of service, deterioration of electric services, meter readings or injury to persons or damage to property caused by the delivery or supply of electricity. Neither Constellation nor any of its affiliates or subcontractors will be responsible for any failure to commence or terminate power and energy service on the date specified herein due to any failure or delay in enrolling you with the EDC. Constellation's liability will be limited to direct actual damages only, which will not exceed the amount of your single largest monthly invoice during the preceding 12 months. In no event will Constellation or any of its affiliates or subcontractors be liable for any punitive, incidental, consequential, exemplary, indirect, third-party claims or other damages whether based on contract, warranty, tort, negligence, strict liability or otherwise, or for lost profits arising from any breach or nonperformance of this Contract. BOTH YOU AND CONSTELLATION AGREE IRREVOCABLY AND UNCONDITIONALLY TO WAIVE ANY RIGHT TO A TRIAL BY JURY OR TO INITIATE OR BECOME A PARTY TO ANY CLASS ACTION CLAIMS IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT.

Force Majeure

We do not transmit or deliver electricity and causes and events out of our reasonable control ("Force Majeure Events") may result in interruptions in service. We will not be liable for any such interruptions or any other failure to perform under this Contract caused by a Force Majeure Event. We are not and will 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; required maintenance work; inability to access the EDC's system; non-performance by the EDC, including, but not limited to, a facility outage on its distribution lines; changes in laws, rules or regulations of any governmental authority; or any cause beyond our reasonable control.

Miscellaneous

Except with respect to Constellation's affiliates and subcontractors under the "Limitation of Liability; Jury Trial Waiver" section, there are no third party beneficiaries of this Contract. Any payments due under this Contract, and all provisions relating to the payment and collection thereof, and the provisions contained in the "Limitation of Liability; Jury Trial Waiver" section above, will survive expiration or termination for any reason. This Contract constitutes the entire agreement between you and Constellation. No statement, promise or inducement made by either party not contained in this Contract will be valid or binding. Any reference to days or periods will mean calendar days.

Contact Information

Supplier Name: Constellation NewEnergy, Inc.
Address: 1221 Lamar Street, Suite 750, Houston, TX 77010
Attention: Residential Care
Phone Number: 1-800-785-4373
Internet Address: home@constellation.com

Constellation NewEnergy, Inc.'s RESIDENTIAL LICENSE NUMBER IS A-110036. Should you have any questions about your Constellation contract or Constellation charges on your invoice, please contact us between the hours of 8:00 a.m. and 8:00 p.m. eastern time on weekdays, except holidays. Our toll-free number is 1-800-785-4373. We can be reached by email at: home@constellation.com or by mail at: Constellation NewEnergy Inc., c/o Residential Care, 1221 Lamar Street, Suite 750, Houston, TX 77010. Please contact us at this address to provide all notices under this Contract and contact us at this address or phone number to resolve any disputes regarding this Contract.

Electric Distribution Company/Default Service Provider

For emergencies relating to your service, such as a power outage, or for information about universal service programs, please call your EDC at the following number: Pennsylvania Power & Light Company at 1-800-342-5775, Philadelphia Electric Company at 1-800-841-4141, West Penn Power at 1-800-255-3443, Metropolitan Edison Company 1-888-544-4877, Pennsylvania Electric Company at 1-888-544-4877, Pennsylvania Power Company at 1-888-544-4877, or Duquesne Light at 1-888-393-7000.

For information about customer assistance programs, please call: West Penn Power - formerly Allegheny Power (LIPURP) (800) 207-1250; Duquesne (CAP) (888) 393-7600; Met-Ed (PCAP) (800) 962-4848; PECO (CAP Rate) (800) 744-7040; Penelec (PCAP) (800) 962-4848; and Penn Power (PCAP) (800) 720-3600.

Public Utility Commission (PUC)

The Pennsylvania Utility Commission can be reached by mail at P.O. Box 3265, Harrisburg, PA 17105-3265, or by phone at 1-800-692-7380 and their website address is <http://www.puc.state.pa.us/>.