

NEW YORK RESIDENTIAL & SMALL COMMERCIAL TERMS AND CONDITIONS

Natural Gas Supply Service
Direct Energy Services, LLC

1. Terms of Service. These Terms and Conditions together with the Customer Disclosure Statement (defined below), which is incorporated herein by reference, constitute the agreement ("Agreement") between you and Direct Energy Services, LLC ("Direct Energy"). "Customer Disclosure Statement" means, as applicable, either the section of the enrollment consent form/letter of authorization entitled '*Customer Disclosure Statement*' or the Schedule A accompanying these Terms and Conditions entitled '*Customer Disclosure Statement – Schedule A to Terms and Conditions*'.

2. Agreement to Purchase Energy. We will supply your retail natural gas, as delivered to you by your Local Distribution Utility ("LDU"), subject to the terms and conditions of this Agreement.

3. Agency. You appoint us as your agent to provide retail natural gas service, including the natural gas transportation, transmission and related services appropriate to provide that service to you.

4. Eligibility. For natural gas service, you must (a) be eligible to receive service from your LDU and stay eligible for such service during the Term of this Agreement. We can terminate this Agreement by giving you notice if you are not eligible.

5. Term of Agreement. The "Initial Term" of your service will begin on the date the notification regarding the change of your energy provider is deemed effective by your LDU. The Initial Term is set forth in the Customer Disclosure Statement. After the Initial Term, you will be notified in advance that this Agreement will automatically renew on a month-to-month basis at the same terms, unless Direct Energy sends you written notice of proposed changes to such terms in advance of the renewal date (each such renewal are collectively referred to as the "Renewal Term"). Any such written notice will be sent at least thirty (30) days and no more than sixty (60) days prior to the renewal date, apprising you of any proposed changes in the terms and conditions of this Agreement and of your right to renew, terminate or renegotiate this Agreement. If you wish to reject the renewal of this Agreement without incurring an early termination fee, if any, you will have three (3) business days from the day you receive the first billing statement of your Renewal Term to cancel by calling us as detailed in Section 22. When receiving service on a month-to-month basis, you may provide written notice of termination or call us as detailed in Section 22 or call LDU to terminate the agreement. We may terminate this Agreement by providing thirty (30) days' written notice to you.

6. Price: the Rate and Daily Fee. During the Initial Term, your rate per ccf/mcf/therm is set forth in the Customer Disclosure Statement. If your Initial Term rate is a Fixed or Variable rate, your price will be for natural gas supply service, and includes transport and storage and New York City Utility Tax (when applicable) and excludes distribution charges and other taxes, utility fees and charges. You may also be charged a flat daily customer charge, which you will find in the Customer Disclosure Statement. After the

Initial Term and during the Renewal Term, your rate per ccf/mcf/therm, as well as the daily customer charge, will both be variable, and will not change more than once each monthly billing cycle, unless we send advance written notice indicating otherwise. Each will change as we solely determine based on business and market conditions. Your rate per ccf/mcf/therm excludes: (a) fees, charges and other assessments imposed by your LDU, the New York Public Service Commission (including the New York Department of Public Service, the "NYPSC") or other governmental agency; and (b) federal, state and local taxes. These items are in addition to your per ccf/mcf/therm rate. If you are a tax-exempt customer, you must provide us with an appropriate exemption certificate before we will waive any assessment and collection of taxes. The amount you pay may change for reasons allowed by law, including, without limitation (a) a change in charges, or new charges, imposed by your LDU, NYPSC or other government agency; or (b) we determine that the service plan originally designated is incorrect.

7. Billing. Our natural gas service, daily customer charge, and other charges will appear in your service bill from your LDU. Your LDU calculates and determines your usage and charges. Your LDU bills will specify where payments are due, and you agree to pay your bill as required by your LDU. Your payments may be pro-rated in accordance with procedures adopted by the NYPSC. Additionally, if your LDU is Central Hudson, you may be offered a billing cycle ending either monthly or every other month. If you receive residential service, your LDU may offer budget, levelized, or other payment plans, as provided in New York's Home Energy Fair Practices Act ("HEFPA"). The LDU's measurement of natural gas will be definitive for the purpose of calculating your charges under this Agreement. This determination may include any combination of actual meter reading usage, usage estimations or pro-rated usage.

8. Your Right of Rescission and Termination by You. Residential and Small Commercial customers may rescind this Agreement within three (3) business days after you receive a copy of it ("Rescission Period") without an early termination fee. Thereafter, Residential and Small Commercial customers can terminate service under this Agreement at any time during the Initial Term, subject to the early termination fee in the amounts set forth in the Customer Disclosure Statement, if any. The early termination fee will not to exceed (a) one hundred dollars for any contract with a remaining term of less than twelve months; (b) two hundred dollars for any contract with a remaining term of twelve months or more. You agree to pay the early termination fee immediately, but no later than ten (10) days after the date we send you a payment notice. After the end of the Initial Term, you can terminate your service under this Agreement without penalty by notifying us at our Customer Service Contact Center (see Section 22 for the contact information). If you terminate service with us, your service will be switched to the LDU at the end of the next switching cycle following your request for termination.

9. Termination by Us. We can terminate this Agreement for any of the following reasons by providing you fifteen (15) days' advance written notice: (a) fraudulent or misrepresented information was used to secure this Agreement; (b) you rescind your information release authorization provided in Section 13 below; (c) we determine that your credit is inadequate; (d) you change your physical address or location; (e) a court or administrative agency takes action that renders ineffective any material provision of this Agreement, prohibits material performance under the Agreement, or otherwise constitutes a material adverse change for us; (f) a Force Majeure Event that materially impacts our service; or (g) you breach this Agreement. If terminated, your service will switch to the LDU no later than the end of the second following billing cycle. After the end of the Initial Term, we may terminate this Agreement at any time for any reason, and if we do, your service will cease no later than the end of the second following billing cycle.

10. Effect of Termination. Upon termination, you may either select another energy service company or return to your LDU service. A final bill will be sent for charges through the date your service ends within twenty (20) calendar days after the final scheduled meter reading by your LDU (or, if access to your meter is unavailable, an estimate of your usage will be used for the final bill, which will be true-up when the final meter reading is performed). Upon your request for termination, we will provide you with a termination verification number.

11. Transfer. If you relocate within the LDU service territory, this Agreement will continue for the remainder of the Term for services at your new location. You are responsible for (1) calling your LDU at the information listed on the Customer Disclosure Statement to inform them of your request to transfer your LDU service to another location; (2) obtaining your new account information from your LDU; and (3) contacting us at 1-866-348-4194 to provide your new account information and location to complete the transfer of service. You understand that this Agreement will automatically terminate if you relocate outside the LDU service territory, or if the requested service location is not served by the LDU. You must provide to us, at the address provided in Section 22, written proof of your new location outside the LDU service territory. In connection with your relocation with this Section 11, you will not be charged an early termination fee.

12. Assignment. You are responsible for payment to us. You may not assign or delegate this Agreement to anyone without our prior written consent. We may assign or delegate this Agreement to anyone, and that includes transferring our financial interest in your account. If such an assignment is made, and if required by law, we will provide written notice no later than thirty (30) calendar days prior to the transfer date. The notice shall include details of the assignment and your right to choose another supplier or to return to full utility service. After assignment, Direct Energy will have no further obligations under this Agreement.

13. 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.

14. Consumer Protections. Residential and non-residential service is governed by this Agreement and the applicable regulations and orders of the NYSPSC. Residential service is additionally governed by HEFPA, which deals, among other matters, with the time and form of the Final Termination Notice and Final Suspension Notice, physical termination and suspension of service, ending termination and suspension of service, restoration of service, deferred payment agreements, billing adjustments, multiple and two-family dwellings, persons receiving social services assistance and special procedures for medical emergencies, the elderly, blind or disabled, and during cold weather. You may obtain additional information about consumer protections at our Customer Service Contact Center (see Section 22 for the contact information)

or the NYPSC at the information in Section 22. The NYPSC monitors complaints against all energy companies. An excessive number of complaints may result in an energy service company no longer being eligible to supply natural gas in New York State. The telephone number for inquiries and complaints about alternative suppliers is 1-888-697-7728.

15. Dispute Resolution. If there is a billing dispute or a disagreement involving our service, the parties will attempt to resolve the dispute. In order to resolve a dispute, you should first contact our Customer Service Contact Center (see Section 22 for the contact information). We will work to resolve your inquiry fairly and efficiently. We will provide an acknowledgment to you within two (2) days, and will respond to you within five (5) days with the results of our investigation, and we will provide a written report if requested. If we do not resolve the dispute related to your residential service within forty-five (45) days, you have the right to seek NYPSC review as described in Section 14 above. And if your dispute concerns non-residential service, you may submit your dispute to small claims court or any other court of competent jurisdiction.

16. Confidentiality. If you are not receiving service for residential use, the parties will keep the terms and conditions of this Agreement confidential, except as may be required to provide service or to meet the requirements of any regulatory body.

17. Title. All natural gas sold under this Agreement shall be delivered to a location considered the "Point of Delivery", which for natural gas shall be at the city gate, and shall constitute the point at which title transfers and the sale occurs. We shall indemnify and hold you harmless from all taxes, royalties, fees or other charges incurred with respect to the natural gas before title passes.

18. Warranty. This Agreement, including any attachments, makes up the entire Agreement between the parties. WE MAKE NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND WE EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

19. Force Majeure. A Party claiming Force Majeure will be excused from its obligations under this Agreement as long as it provides prompt notice of the Force Majeure and uses due diligence to remove its cause and resume performance as promptly as reasonably possible. During a Force Majeure, you will not be excused from your responsibility for Balancing Charges nor from your responsibility to pay for services received. "Force Majeure" means occurrences beyond a Party's reasonable control, including, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of terrorism, civil disturbances, explosions, breakage, shortage and/or unavailability of transmission facilities. The inability of a Party to make payments is not a Force Majeure event.

20. Remedies and Limitations of Liability. THE ONLY REMEDY IN ANY CLAIM OR SUIT YOU BRING AGAINST US WILL BE DIRECT, ACTUAL DAMAGES YOU HAVE INCURRED. YOU WAIVE ANY RIGHT TO ANY OTHER REMEDY IN LAW OR

EQUITY. NEITHER YOU NOR WE WILL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES. IN ADDITION TO SECTION 19 ABOVE, WE ARE 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.

21. Indemnification and No Third-Party Beneficiaries. You are responsible for, and will immediately indemnify us 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. There are no third-party beneficiaries to this Agreement.

22. Contact Information.

Direct Energy - You may contact our Customer Service Contact Center at 1-866-348-4194. Our usual hours are 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, (hours subject to change without notice). You may also correspond in writing at: Direct Energy Customer Service Contact Center, PO Box 180, Tulsa, OK 74101-0180. Always include your account number in your correspondence.

LDU Contact Information - Contact information for your LDU is below, as applicable to your specific LDU:

Central Hudson Gas and Electric: 1-800-527-2714; Consolidated Edison of NY: 1-800-752-6633; Corning Natural Gas: 1-607-936-3755; National Grid (NY): 1-718-643-4050; National Grid (LI): 1-800-490-0045; National Grid: 1-800-892-2345; National Fuel Gas: 1-800-444-3130; NYSEG: 1-800-572-1131; Orange and Rockland: 1-877-434-4100; or Rochester Electric: 1-800-743-1701 (electric)/1-800-743-1702 (gas).

NYPSC Contact Information - You may contact NYPSC at 1-800-342-3377 or by writing to the NYPSC at: New York State Public Service Commission, Department of Public Service - Office of Consumer Affairs, Three Empire State Plaza, Albany, New York 12223, or through its website at: <http://www.dps.state.ny.us>.

23. Venue and Choices of Law. Venue for any lawsuit related to this Agreement shall lie exclusively in the State of New York. Further, this Agreement shall be construed under and shall be governed by the laws of the State of New York, without regard to the application of its conflicts of law principles.

24. Taxes and Laws. Except as otherwise provided in the Agreement or provided by law, any and all taxes due and payable with respect to the performance of your obligations under this Agreement shall be paid by you. The parties' obligations under this Agreement are subject to any validly issued present and future legislation, orders, rules or regulations of a duly constituted governmental authority having jurisdiction over this Agreement or over the services to be provided herein.

25. Emergency Services. While your energy supply will be provided by Direct Energy, your energy delivery service shall continue to be provided by your local distribution utility. In the event of a gas odor, service interruption or other emergency, you should

immediately call your LDU at the applicable number listed in Section 22.

26. Parties Bound. This Agreement is binding on the parties to this Agreement and their respective successors and permitted assigns.