

CONNECTICUT RESIDENTIAL & SMALL COMMERCIAL TERMS AND CONDITIONS

Electricity Supply Service

Direct Energy Services, LLC d/b/a Direct Energy

1. Terms of Service. These Terms and Conditions together with the Overview of Account, which is incorporated herein by reference, constitute the agreement (“Agreement”) between you and Direct Energy Services, LLC (“Direct Energy”).

2. Agreement to Purchase Energy. Direct Energy will supply your retail electricity, as delivered to you by your Electric Distribution Company (“EDC”), subject to the terms and conditions of this Agreement.

3. Term of Agreement. Subject to Direct Energy’s acceptance of this Agreement and acceptance of your enrollment by your EDC, you agree to become a Direct Energy customer and appoint Direct Energy as your limited agent to fulfill the terms of this Agreement. Direct Energy will also arrange, contract for and/or administer transmission and related services over interstate and EDC facilities to deliver electricity supply to your premises. These services are provided on an arm’s length basis. Direct Energy agrees to sell and deliver and you agree to purchase and accept the quantity of electricity supply delivered to you as measured or estimated by the EDC. The term of this Agreement (“Contract Term”) is detailed on the first page of this Agreement (Overview of Account). Direct Energy will send you a Renewal Notice at least thirty (30) days and no more than sixty (60) days before the effective date of your renewal. The Renewal Notice will describe the proposed price change and your right to renew, terminate and/or renegotiate this Agreement.

4. Pricing, Billing and Payment Terms. You will pay Direct Energy for your electric generation service at the price(s) set forth on the first page of this Agreement (Overview of Account) for the Contract Term. Between 30 and 60 days prior to the end of your Contract Term, you will receive a notice with a new offer. If you do not respond, this Agreement will automatically continue at the new price for a new term. The Contract Term price and Renewal Period price are exclusive of all utility charges and taxes. Your EDC will send you a bill monthly. That bill will contain Direct Energy’s supply charges for the amount of electricity you used during the billing cycle. That amount will be measured or estimated by the EDC. **Depending upon the date of the meter read, your bill from the EDC 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 EDC’s designated billing period days will have prorated charges based on a 30-day average for the applicable rate. Your payment is due by the date specified in the EDC bill. Your EDC may offer you budget, levelized or other payment plans.

1.) **Fixed Price:** a price that does not change for a specified period of time of not less than four (4) complete billing cycles.

2.) **Time of Use:** To be eligible to enroll in a Time of Use Product, you must have a smart meter. If you are not certain if you have a smart meter, please contact your utility or Direct Energy at the information provided in your Terms and Conditions. If you enroll (or attempt to enroll) in a Time of Use Product, and Direct Energy determines that you do not have a smart meter, then Direct Energy will have the right to cancel this Agreement (or cancel your enrollment with Direct Energy) and return your account back to the utility. By enrolling in a Time of Use Product, you authorize your utility to provide Direct Energy access to your meter data in increments as short as five (5) minutes but no more than one (1) hour as allowed by your utility systems on a daily and/or monthly basis as may be requested by Direct Energy (“Interval Data Authorization”), as well as being shared with third parties, pursuant to Direct Energy’s privacy policy. Your information will be shared with third parties for load forecasting purposes and to separate data based on your usage throughout your household. If you rescind your Interval Data Authorization while you receive electric generation service from Direct Energy under a Time of Use Product, then Direct Energy will have the right to cancel this Agreement and charge you an early cancellation fee in the amount set forth in the Contract Summary.

3.) **Variable: For eligible Small Business customers only,** after the Contract Term, the price for electricity supply from Direct Energy will be a variable price 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 power 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 price. 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 electricity supply in advance rather than from the spot market. **For all of these reasons, the variable price may not correlate with changes in wholesale market prices or your local utility's rates.** In addition, the variable price may be higher than your local utility rate or other suppliers' prices.

5. Right of Rescission & Cancellation Policy. You have the right to rescind your enrollment without penalty or charge within three (3) business days after receipt of the Agreement ("Rescission Period") by calling Direct Energy at the information in Section 14. Thereafter, you may cancel service under this Agreement at any time during the Contract Term, subject to any applicable early cancellation fee and/or device cost recovery fee as detailed on the first page of this Agreement (Overview of Account). You agree to pay the early cancellation fee and/or device cost recovery fee immediately, but no later than ten (10) days after the date you receive a payment notice. You may initiate cancellation by calling Direct Energy at the information in Section 14 and you will be given a cancellation number. Upon cancellation, you will be required to select another supplier or return to the EDC. After Direct Energy has been confirmed as your supplier by the EDC, and you cancel service with Direct Energy, cancellation will not be effective until the next regularly scheduled meter-reading date after notice to the EDC. You must pay for all Direct Energy charges until the EDC has switched you to the EDC or another supplier. It is not considered a termination or early cancellation of a contract if you are a residential customer and you move within Connecticut and remain with Direct Energy.

6. Assignment. You may not assign your rights or obligations under this Agreement without Direct Energy's express written consent. Direct Energy may sell, transfer, pledge, or assign the accounts, revenues, or proceeds due to it under this Agreement. Direct Energy may also assign its obligations under this Agreement to another electric supplier or other entity as permitted by law. After assignment, Direct Energy will have no further obligations under this Agreement.

7. Disputes. You should contact Direct Energy at the information in Section 14 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 or response to your dispute within two (2) business days. If only an acknowledgment is given, Direct Energy will provide a response within fourteen (14) calendar days. Direct Energy will report the results of its investigation to you. You may also contact the Public Utilities Regulatory Authority at the information listed in Section 14.

8. Title. Title to the electricity shall pass from Direct Energy to you when it is delivered to the EDC. Direct Energy shall indemnify and hold you harmless from all taxes, royalties, fees or other charges incurred with respect to the electricity before title passes to you.

9. Entire Agreement. This Agreement is the entire Agreement between you and Direct Energy. You understand that Direct Energy's obligations under this Agreement are subject to any validly issued present and future laws of any governmental authority having jurisdiction over this Agreement or the services provided by Direct Energy to you.

10. Warranty Disclaimer. DIRECT ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. DIRECT ENERGY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

11. Force Majeure. Direct Energy will make commercially reasonable efforts to provide service but does not guarantee a continuous electricity supply. Events outside of Direct Energy's control ("Force Majeure Events") may result in interruptions in service. These events include by way of example only: acts of God or any governmental authority, accidents, strikes or labor disputes, required maintenance, inability to access the EDC's facilities, EDC non-performance

including an outage, changes in laws of any governmental authority or any other cause beyond Direct Energy's control. Direct Energy shall not be liable to you for any interruptions caused by Force Majeure Events.

12. Limitation of Liability. You agree that Direct Energy shall be liable to you only to the extent of actual, direct damages incurred by you. In no event shall Direct Energy be liable for consequential, incidental, special or punitive damages, even if Direct Energy has been advised of or should have knowledge of the possibility of such damages. To the extent permitted by law, this limitation shall apply to all actions including actions of contract or negligence.

13. Communication Preference. You will be provided with your mandated regulatory notices via the communication method you specified during your enrollment (i.e. US Mail, email, or text message). For email communications, a valid email address is required at all times during the term of the Agreement. For text message communications, a valid mobile number is required at all times during the term of this Agreement. If at any time during your Contract Term, the email address and/or mobile number is no longer a valid way to reach you, all mandated notifications will revert to US Mail delivery. Communications will be solely informational in nature and provide opt-out information and disclosures (if applicable). For text message notifications, standard messaging rates apply. After you have selected your preferred communication method, Direct Energy will not change such communication method unless or until you instruct us to do so, or the communication method becomes invalid (see above). You should contact Direct Energy at the information in Section 14 if you would like to make changes to your communication method at any time during your Contract Term, or to update your email or mobile phone number to keep them valid. Unless and until we are notified by you of a change to your contact information, or a change to your preferred communication method, we will continue to send all notices to the most current contact information we have on file for you via the most current preferred communication method we have on file for you (i.e. street address, mobile telephone number, or email address).

14. Contact Information. You may contact Direct Energy at 1-800-571-4900 or at 1-844-827-0607 (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 PO Box 180, Tulsa, OK 74101-0180.

Contact information for your EDC in an energy emergency or for general inquiries, are as follows:

Eversource at 1-800-286-2000. You can also write to PO Box 270, Hartford, CT 06141-0270.

United Illuminating Company at 1-800-722-5584. You can also write to PO Box 1564, New Haven, CT 06506-0901.

Public Utilities Regulatory Authority (PURA) at 1-800-382-4586 (toll free in CT) or 1-860-827-1553, 10 Franklin Square, New Britain, Connecticut 06051, or <http://www.ct.gov/pura>.

15. Emergency Service. In the event of an electric outage, service interruption or other emergency, immediately contact your EDC at the information provided in Section 14.

16. Choice of Law. You agree that this Agreement shall be governed by Connecticut law, without regard to its conflict of law principles.

17. Taxes. Except as otherwise provided in this Agreement or required by law, all taxes of whatsoever kind, nature and description, due and payable with respect to your performance of your obligations under this Agreement, will be paid by you.

18. Parties Bound. This Agreement is binding upon you and Direct Energy and each of your respective successors and permitted legal assigns. This Agreement is not intended to benefit any third party.