



DELAWARE RESIDENTIAL & SMALL COMMERCIAL TERMS AND CONDITIONS

Electricity Supply Service
Direct Energy Services, LLC

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

2. Agreement to Purchase Electric Generation Service. This Agreement serves as the Agreement for electric generation service to be provided to you by Direct Energy, an electric power supplier licensed by the Delaware Public Service Commission (the "Commission"). Subject to Direct Energy's acceptance of this Agreement and enrollment by your electric distribution company (the "Electric Distribution Company," or "EDC"), you agree to become a Direct Energy customer and appoint Direct Energy as your limited agent to fulfill the terms of this Agreement and perform the necessary tasks associated with your electric generation service. Direct Energy agrees to sell and supply to you, and you agree to purchase and accept, all of your electric generation requirements supplied to you, as measured and/or estimated by your EDC, all in accordance with the terms and conditions set forth in this Agreement. Your electricity will be delivered to you by your EDC. Direct Energy's license number is ESL-0078.

3. Term of Agreement. The Initial Term (as defined in your Contract Summary) of this Agreement will begin on the Effective Date (as defined in the Contract Summary). Your switch to Direct Energy as your electric power supplier may take up to two (2) billing cycles. The Initial Term will be for the number of months specified in the Contract Summary.

4. Renewable Energy Plan. If you are purchasing our Renewable Energy Plan pursuant to this Agreement, you are agreeing to purchase from Direct Energy a product that is supported 100% by renewable energy credits ("RECs"), in an amount sufficient to match your annual consumption from your EDC. RECs are a tradeable, non-tangible energy commodity in the United States that represents proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource like biomass, hydro, solar or wind. Direct Energy will purchase and retire renewable energy certificates in either the state where you are located, the North American Electric Reliability Corporation (NERC) region, Independent System Operator (ISO), Regional Transmission Organization (RTO) or Balancing Authority Area of the customer being served, at any time and from time to time throughout the year. The electricity supply actually distributed to your service location will not contain electricity supply generated from any specific electric

generation facility. The availability of electric generation facilities varies hour to hour, and from season to season, as does electricity use by customers. Direct Energy may take up to three (3) months following the close of a calendar year to make up any deficiency in the volume of renewable energy certificates needed from particular generation facilities associated with your Renewable Energy Plan.

5. Time of Use Product. 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 Company or Direct Energy at the information provided in the attached terms and conditions. By enrolling in a Time of Use Product, you authorize your Utility Company to provide Direct Energy access to your thirty (30) minute interval smart meter usage data on a daily and/or monthly basis as may be requested by Direct Energy ("Interval Data Authorization"). In addition, you also authorize Direct Energy to share your usage data with our third-party vendor(s) pursuant to Direct Energy's privacy policy located at <https://www.directenergy.com/privacy-policy> for load forecasting purposes and to separate data based on your usage throughout your household, or for purposes as outlined in our privacy policy. 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. 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). Based upon the assumption that, i) 31% of your total electricity consumption occurs during the Designated Free Weekend Period(s) and ii) 21% of your total electricity consumption occurs during the Designated Free Night Period(s), the average rate for a "Free Night/Weekend" time of use product is calculated as (Non-Free Period Usage X \$Rate/kwh + Free Period Usage X \$0.00)/Total Usage. Your actual average price per kwh may vary depending on actual consumption.

6. Pricing, Billing and Payment Terms. During your Initial Term, you will pay Direct Energy for your electric generation service as set forth in the Contract Summary. The Initial Term Rate is for electric generation and excludes taxes and regulated charges from the utility, including but not limited to, delivery and distribution charges. Electric generation service prices of electric suppliers, such as Direct Energy, are set competitively and are not regulated by the Commission. Your EDC will send you a consolidated monthly bill, which will set forth your total electric service charges. The bill will contain, among other charges, Direct Energy's electric generation service rate multiplied by the amount of electricity you used during the billing cycle, as measured and/or estimated by your 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 will be due and payable to the EDC by the date specified in the bill. You agree to accept the measurements determined by your EDC for the purposes of providing you with electric generation service by Direct Energy. There is no charge for entering into this Agreement or for terminating this Agreement, unless provided for in the Contract Summary.

Direct Energy's supply of electric generation to you under this Agreement is subject to the EDC accepting enrollment of your account for consolidated billing. If you are not eligible for consolidated billing, you will be required to remedy that restriction with your EDC prior to Direct Energy serving you. If any time during your Initial Term (as defined in your Contract Summary) or any Renewal Period (as defined in Section 7), your EDC no longer provides consolidated billing for your account, you will be billed by Direct Energy for any charges owed to Direct Energy. You will be billed separately by your EDC for any taxes, distribution charges, or other utility fees and charges. You may obtain the average monthly rates for the previous twenty four (24) months for Direct Energy's customers in your EDC's service territory who received service on a variable rate ("Historical Rates") by calling us at the telephone number set forth in Section 18 or by visiting us at our website: <http://www.directenergy.com/historical-pricing>. Please note that Historical Rates are not indicative of current or future rates.

7. Renewal. At least forty-five (45) calendar days prior to the end of the Initial Term, Direct Energy will provide you a written renewal notification ("Renewal Notification") outlining the proposed changes to the terms and conditions of this Agreement, including, without limitation, notification that this Agreement will continue on a month-to-month basis ("Renewal Period"). The Renewal Notification will also inform you of your right to terminate or renegotiate the Agreement. As to your right, if you find the changes in the Renewal Notification unacceptable, you may choose another supplier or return to EDC service before the changes go into effect, without penalty to you. The variable price can be obtained by contacting Direct Energy at the information provided in Section 18. It may take up to two (2) billing cycles to switch to EDC service or another electric supplier. To cancel your service, you must contact your EDC using the contact information found in Section 18. If you do not respond to the Renewal Notification, your electric generation service with Direct Energy will continue under the terms and conditions set forth in the Renewal Notification. While taking service on a month-to-month basis, the rate for electricity will have no limit on price variability 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 rate. 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 rate may not correlate with changes in wholesale market prices or your local utility's rates.** In addition, the variable rate may be higher than your local utility rate or other suppliers' rates. To obtain your next month's variable price please call us at 1-800-741-8677. During the Renewal Period, either party may terminate this Agreement and electric generation service from Direct Energy by providing the other party with thirty (30) calendar days' notice of termination.

8. Your Right to Rescind and Early Cancellation Policy. You will receive a confirmation notice from your EDC confirming your selection of Direct Energy as your electric power supplier. You will have three (3) business days from the date of the confirmation notice to rescind your enrollment with Direct Energy without penalty by contacting your EDC using the contact information set forth in the Contract Summary. This Agreement is not binding until the three (3) business day Rescission Period has expired and you have not rescinded your selection of Direct Energy as your electric power supplier. If you do not rescind this Agreement within the three (3) business day Rescission Period, then this Agreement will be binding. And, thereafter, you may cancel service under this Agreement at any time during the Initial Term, subject to paying Direct Energy an early cancellation fee, if applicable, as set forth in the Contract Summary. You agree to pay any such fee to us immediately, but in any event, no later than ten (10) days after the date you receive an oral or written notice requesting payment. During the Renewal Period, there is no cancellation fee. If you are relocating, please refer to Section 9 below.

9. Relocation/Other Rights of Termination. In the event you become disabled and are unable to pay for electric generation service, you may cancel this Agreement without any penalty by providing forty-eight (48) hours prior notice to Direct Energy. In the event you relocate outside of your EDC's service territory, you may terminate this Agreement without penalty by providing thirty (30) days' prior written notice to Direct Energy. If you change your residence/service location within your EDC's service territory, then you may have the option of entering into a new electricity supply



contract with Direct Energy for your new residence/service location. Direct Energy's contact information is set forth in Section 18 below. If you cancel this Agreement, you will be responsible to pay for Direct Energy's service through the date that you are switched to another supplier or returned to your EDC.

10. Direct Energy's Right to Cancel Service. Direct Energy may cancel this Agreement for non-payment or any other breach of this Agreement with thirty (30) days prior written notice to you of such termination. If you fail to cure the breach within the thirty (30) day notice period, Direct Energy may terminate this Agreement, whether or not you cure the breach after expiration of such notice period. Also, if for any reason performance of this Agreement becomes materially uneconomical to Direct Energy, if Direct Energy is otherwise unable to continue this Agreement, or if a change in any law causes Direct Energy to no longer have the ability to serve you, Direct Energy may cancel this Agreement after giving you at least thirty (30) days' advance written notice. If Direct Energy cancels this Agreement, you must still pay all Direct Energy charges through the date you are switched to another supplier or returned to the EDC for service. Your cancellation will not be effective until the next regularly scheduled meter read date following the date on which Direct Energy gives notice to the EDC of your cancellation request.

11. Electric Distribution Company's Right to Cancel Service. If you are having trouble paying your electric bills, contact your EDC to see if it has a payment plan or other solution available to you. If you do not pay the total electric service charges on your bill, your electric service may be disconnected by the EDC. Your EDC will give you notice in the time frame prescribed by the Commission before it disconnects your electric service. The EDC may also disconnect your electric service in certain emergency situations. This Agreement is automatically cancelled if the EDC disconnects you and returns you to service with your EDC. In the event you do not select another Electric Supplier, you will be returned to your EDC.

12. Disputes. If you have any dispute related to this Agreement you should contact Direct Energy. Direct Energy will attempt to resolve the dispute in an efficient, fair and timely manner. Direct Energy will provide an acknowledgment to your dispute within a reasonable time after receipt. Direct Energy will then issue a report within forty-five (45) days after initiation of the dispute. If you are not satisfied after discussing your terms of service with Direct Energy, you may contact the Commission to request an alternate dispute resolution procedure or to file a formal complaint. The contact information for both Direct Energy and the Commission is set forth in Section 18 below.

13. Late Payments/Insufficient Payments. When you are issued a consolidated bill from your EDC, containing both Direct Energy's charges and your EDC's charges, you will be subject to your EDC's policies and procedures regarding late or insufficient payments. If Direct Energy invoices you directly for Direct Energy's charges, you will be required to pay Direct Energy and remit payment by the due date listed in the bill. If you fail to pay Direct Energy within said time period, Direct Energy reserves the right to charge you interest for

any past due amounts, including unpaid interest fees, at a rate of 1.3% per month or such lesser amount as required by law. You agree that you will pay Direct Energy for any fees Direct Energy incurs to collect amounts owed by you to Direct Energy, including reasonable attorneys' fees and returned check fees.

14. Title to Electricity. Title to and risk of loss with respect to the electricity will pass from Direct Energy to you when it is delivered at the EDC's meter to you.

15. Force Majeure. Direct Energy will make commercially reasonable efforts to provide your electric generation service, but does not guarantee a continuous supply of electricity. Certain causes and events are out of Direct Energy's reasonable control and may result in interruptions in service. Direct Energy is not responsible for transmitting or distributing electricity. Direct Energy is not liable for damages caused by acts of God, changes in laws, rules, regulations, or other acts of any governmental authority (including the Commission or PJM Interconnection, LLC, the operator of the regional power grid), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the EDC or any other cause beyond Direct Energy's reasonable control. In addition, upon thirty (30) days written notice, you may be required to pay any additional or increased fees or charges that are generally beyond Direct Energy's reasonable control, including, but not limited to, fees for switching, disconnecting, reconnecting, maintaining electric service or equipment, or transmission charges, that are imposed by law, rule, regulation, tariff, or Commission rule or order. These charges or fees will be passed through to you and added to your price.

16. Limitations of Liabilities. Liabilities not excused by reason of Force Majeure or otherwise will be limited to direct, actual damages. Direct Energy will not be liable to you or any third party for consequential, incidental, punitive, exemplary or indirect damages, third party claims or other damages, whether based upon contract, warranty, tort, strict liability, or otherwise. Direct Energy is not liable for interruptions to, or shortages of, electricity supply, nor is it liable for any resulting associated loss or damage. These limitations apply without regard to the cause of any liability or damage. Direct Energy is not responsible for any failure to commence or terminate your electric generation service on the dates stated herein, due to any delay in enrolling you. Nothing in this Agreement shall constitute any waiver of any right you may have under Delaware or Federal Consumer Protection laws.

17. Direct Energy's Representations and Warranties; Limitation. The electricity provided under this Agreement will meet the quality standard of the EDC and will be supplied from a variety of electric generation sources, including the electricity provided pursuant to any renewable energy requirements. Direct Energy makes no representations or warranties other than those expressly set forth in this Agreement. DIRECT ENERGY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR



IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

18. Contact Information.

Direct Energy: You may contact Direct Energy in one of the following ways: (a) call 1-800-741-8677 or at 1-844-827-0653 (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 (b) write to Direct Energy at PO Box 180, Tulsa, OK 74101-0180 (be sure to include your account number(s)).

Direct Energy's internet domain address is: <http://www.directenergy.com>. Answers to frequently asked questions can be found on Direct Energy's website. Information on historical billing data is available from Direct Energy at <http://www.directenergy.com/historical-pricing>.

Your Electric Distribution Company: You may contact Delmarva Delaware in one of the following ways: (a) call 1-800-375-7117; or (b) online at www.delmarva.com.

The Delaware Public Service Commission: You may contact the Delaware Public Service Commission at DE Public Service Commission, 861 Silver Lake Blvd., Cannon Bldg. Ste 100, Dover, DE 19904 or 1-800-282-8574 or by visiting: <http://depssc.delaware.gov/>.

Division of the Public Advocate: You may contact the Divisions of the Public Advocate at 29 South State Street, Dover, DE 19904 or 1-888-607-2427 or by visiting <http://publicadvocate.delaware.gov/>.

19. 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, electric 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.

20. Credit Checks. Direct Energy reserves the right to perform credit checks and request financial data on you. Direct Energy reserves the sole right to determine if your credit standing is satisfactory for originating electric generation service under this Agreement. Direct Energy can refuse service based on your credit standing. Direct Energy may require you to be current with your EDC payments or to submit a deposit for this Agreement as a condition of starting or continuing service in connection with this Agreement.

21. Choice of Law. This Agreement will be governed by Delaware law, without regard to its conflict of law principles.

22. Miscellaneous Provisions. This Agreement represents the entire Agreement between the parties with regard to the subject matter hereof, is subject to all valid and applicable laws and to all present and future orders, rules, and regulations of the Commission and any other authority having jurisdiction over the subject matter hereof, and supersedes any previous promises, understandings and agreements between the parties. If any provision of this Agreement is deemed invalid, illegal, or otherwise unenforceable, you agree that it shall be modified to the minimum extent necessary to render it valid, legal, and enforceable. If a provision cannot be modified in a manner that would make it valid, legal, and enforceable, the provision shall be severed from the Agreement, and all other provisions shall remain in full force and effect. Any failure on Direct Energy's part to enforce any of the terms of this Agreement or to exercise any right under such terms shall not be considered a waiver of Direct Energy's right to enforce each and every such term, exercise such right, or exercise any other right under this Agreement. You may not assign this Agreement without Direct



Direct Energy Services, LLC ~ Toll-Free Phone: 1-800-741-8677
www.directenergy.com ~ csdirectenergy@directenergy.com

Energy's prior written consent. Direct Energy may: (a) transfer or sell this Agreement or your account in connection with any financing; (b) assign this Agreement to any of its affiliates; (c) transfer or assign this Agreement to anyone succeeding to all or substantially all of Direct Energy's assets or business; or (d) transfer this Agreement to another supplier licensed by the Commission. After assignment, Direct Energy will have no further obligations under this Agreement. This Agreement is binding upon you and Direct Energy and will further bind each of your successors and permitted assigns. There are no third-party beneficiaries to this Agreement. This Agreement is a forward contract within the meaning of the United States Bankruptcy Code and Direct Energy is a forward contract merchant.

23. Cancellation of Existing Service. You are responsible for canceling any agreements with other electric suppliers from whom you are purchasing electricity as of the date of this Agreement.

NOTICE ABOUT YOUR ENVIRONMENTAL DISCLOSURE LABEL

You may access Direct Energy's Environmental Disclosure label associated with your account via the link shown below: <http://www.directenergy.com/delaware/customer-support>. This information is updated periodically following the requirements of the Delaware Public Service Commission.



YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FOR AN EXPLANATION OF THIS RIGHT.

Name of authorized energy purchaser or business entity ("Customer"): _____
Relationship to account holder: _____ Name as it appears on the utility bill (if different): _____
Service address: _____
City: _____ State: _____ Zip: _____
Billing address (if different): _____
City: _____ State: _____ Zip: _____
Home telephone: _____

NOTICE OF CANCELLATION Transaction date: _____
YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE (3) BUSINESS DAYS FROM THE ABOVE DATE. IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN (10) BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED. TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE TO DIRECT ENERGY AT PO BOX 180, TULSA, OK 74101-0180 NOT LATER THAN MIDNIGHT OF _____ (DATE). I HEREBY CANCEL THIS TRANSACTION.

Buyer's Signature _____ Date _____
Buyer's Name _____ Account number _____

✂ For cancellation cut here and mail. Keep top copy for your records.-----

YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FOR AN EXPLANATION OF THIS RIGHT.

Name of authorized energy purchaser or business entity ("Customer"): _____
Relationship to account holder: _____ Name as it appears on the utility bill (if different): _____
Service address: _____
City: _____ State: _____ Zip: _____
Billing address (if different): _____
City: _____ State: _____ Zip: _____
Home telephone: _____

NOTICE OF CANCELLATION Transaction date: _____
YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE (3) BUSINESS DAYS FROM THE ABOVE DATE. IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN (10) BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED. TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE TO DIRECT ENERGY AT PO BOX 180, TULSA, OK 74101-0180 NOT LATER THAN MIDNIGHT OF _____ (DATE). I HEREBY CANCEL THIS TRANSACTION.

Buyer's Signature _____ Date _____
Buyer's Name _____ Account number _____