

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RESPOND POWER, LLC  
v.  
PENNSYLVANIA ELECTRIC COMPANY  
Docket No. C-2016-2576287

RESPOND POWER, LLC  
v.  
WEST PENN POWER COMPANY  
Docket No. C-2016-2576292

Direct Testimony  
of  
Kimberlie L. Bortz

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Penelec/West Penn  
St. 1  
C-2016-2576287, et al.  
2-1-18  
Harrisburg J&J

## TABLE OF CONTENTS

	Page
<b>I. INTRODUCTION AND BACKGROUND .....</b>	<b>1</b>
<b>II. OVERVIEW AND SUMMARY OF THE COMPANIES' RESPONSE TO RESPOND POWER'S COMPLAINTS.....</b>	<b>3</b>
<b>III. BACKGROUND OF THE COMPANIES' POR PROGRAMS AND THE NEED FOR A MECHANISM TO ADDRESS POR-RELATED WRITE-OFFS.....</b>	<b>9</b>
<b>IV. RESPOND POWER'S OPPORTUNITY TO CHALLENGE THE POR CLAWBACK PROVISION APPROVED IN THE COMPANIES' FOURTH DEFAULT SERVICE PROGRAM PROCEEDING .....</b>	<b>13</b>
<b>V. IMPLEMENTATION OF THE POR CLAWBACK PROVISION CONSISTENT WITH THE FINAL DSP IV ORDER.....</b>	<b>17</b>
<b>VI. USE OF HISTORICAL DATA IS NOT RETROACTIVE RATEMAKING .....</b>	<b>20</b>
<b>VII. THE DESIGN OF THE CLAWBACK PROVISION IS REASONABLE AND ENSURES FAIR RECOVERY OF EXCESSIVE EGS WRITE-OFFS FROM ONLY THOSE ELECTRIC GENERATION SUPPLIERS DRIVING HIGHER UNCOLLECTIBLE EXPENSE .....</b>	<b>26</b>
<b>VIII. THE CLAWBACK PROVISION DOES NOT HAVE AN ADVERSE IMPACT ON RETAIL COMPETITION .....</b>	<b>33</b>
<b>IX. CONCLUSION .....</b>	<b>35</b>



1 **Q. What is your educational background?**

2 A. I have a Bachelor of Science degree in Accounting from the University of  
3 Maryland, and I am a Certified Public Accountant in Pennsylvania. I have over  
4 twenty-four years of experience with FirstEnergy. My educational background  
5 and work experience are more fully described in Appendix A to this statement.

6 **Q. On whose behalf are you testifying in this proceeding?**

7 A. I am testifying on behalf of Penelec and West Penn. My testimony equally  
8 applies to both Companies, unless otherwise stated.

9 **Q. Please describe the purpose of your direct testimony.**

10 A. My testimony will respond to Respond Power's Complaints filed on November  
11 17, 2016 and October 27, 2017 challenging the application of the Commission-  
12 approved "clawback" provision in the Companies' Electric Generation Supplier  
13 Coordination Tariffs ("Supplier Coordination Tariffs"), effective on August 1,  
14 2016, to Respond Power, an electric generation supplier ("EGS") in each  
15 Company's respective service territory. The clawback provision imposes an  
16 administrative charge on EGSs that elect to participate in the Companies'  
17 purchase of receivables ("POR") programs and that: (1) operate under a business  
18 model that results in their accounts receivables producing a write-off percentage  
19 (write-offs for non-payment as a percentage of revenues) that exceeds 200% of  
20 each Company's average EGS write-off percentage; and (2) charged prices for  
21 generation service that, on average, exceeded 150% of the applicable Company's  
22 average Price-to-Compare ("PTC").

1 Q. Have you prepared exhibits to accompany your testimony?

2 A. Yes. Penelec/West Penn Exhibits KLB-1 through KLB-7 were prepared by me or  
3 under my supervision and are described in detail later in my testimony.

4 **II. OVERVIEW AND SUMMARY OF THE COMPANIES' RESPONSE TO**  
5 **RESPOND POWER'S COMPLAINTS**

6 Q. Ms. Bortz, please briefly summarize Respond Power's principal contentions  
7 set forth in the direct testimony of its witness, Adam Small, in support of the  
8 Complaints.

9 A. Mr. Small claims that Respond Power should not be bound by the Commission's  
10 final order approving the settlement of the Companies' fourth default service  
11 program ("DSP IV") proceeding<sup>1</sup> because Respond Power did not receive  
12 "notice" that a change to the Companies' POR programs was being proposed as  
13 part of the DSP IV Joint Petition filed on November 3, 2015 by the Companies  
14 and their EDC affiliates in Pennsylvania, Metropolitan Edison Company ("Met-  
15 Ed") and Pennsylvania Power Company ("Penn Power"). Consequently, Mr.  
16 Small contends that Respond Power should be allowed to challenge the justness  
17 and reasonableness of the clawback provision as applied to Respond Power.

18 Mr. Small also contends that the clawback charges imposed by invoices  
19 issued on September 27, 2016 and September 29, 2017 are not just and reasonable

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<sup>1</sup> *Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of a Default Service Program for the Period Beginning June 1, 2017, through May 31, 2019*, Docket Nos. P-2015-2511333, P-2015-2511351, P-2015-2511355 and P-2015-2511356 (Order adopting April 15, 2016 Recommended Decision entered May 19, 2016) ("DSP IV Final Order").

1 because: (1) the use of historical data to determine whether the charge would  
2 apply to an EGS constitutes retroactive ratemaking; (2) the “structure” of the  
3 charge allegedly makes it inequitable as applied to Respond Power; and (3) the  
4 charge is allegedly an attempt to “limit” the “price” that EGSs can charge.

5 **Q. Mr. Small cites “due process” concerns as a basis for Respond Power to**  
6 **avoid application of the clawback provision approved in the DSP IV Final**  
7 **Order. Did Respond Power receive notice of the proceeding culminating in**  
8 **that final order?**

9 A. Yes. The DSP IV Joint Petition was served on Respond Power and all other  
10 EGSs in the Companies’ service territories. It was also served on the Retail  
11 Energy Supply Association (“RESA”), a trade association of EGSs that  
12 participates in proceedings before the Commission. In addition, Respond Power  
13 received notice of the prehearing conference and Judge Salapa’s Prehearing  
14 Conference Order.<sup>2</sup>

15 As discussed in more detail in Section IV of my direct testimony, the DSP  
16 IV Joint Petition delineates the proposed POR program changes including the  
17 clawback provision in several places: (1) as part of the twelve separately  
18 numbered items setting forth each of the specific approvals that the Companies  
19 were requesting the Commission to grant (page 3); (2) in the summary of the  
20 subject matter addressed in the direct testimony of each of the three witnesses

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<sup>2</sup> Additional detail regarding the filing of the DSP IV Joint Petition, service upon Respond Power and publication in the *Pennsylvania Bulletin* is provided in pages 6 through 9 of the Companies’ Motions for Judgment on the Pleadings filed on December 8, 2016.

1 whose statements were submitted with, and attached to, the DSP IV Joint Petition  
2 (page 5); and (3) in Section V (“PURCHASE OF RECEIVABLES”),  
3 Subsection A (“EGS-Related Write-Offs”). Changes to the Companies’ POR  
4 programs, including the clawback provision, are discussed in detail in Statement  
5 No. 3 accompanying the DSP IV Joint Petition and set forth in proposed Supplier  
6 Coordination Tariffs also accompanying the DSP IV Joint Petition.

7 **Q. Is a default service proceeding before the Commission limited to generation**  
8 **supply procurement issues, as Mr. Small suggests?**

9 A. No. The POR programs of Met-Ed, Penelec, Penn Power and Duquesne Light  
10 Company (“DLC”) were adopted in default service proceedings. In fact, the  
11 Commission has said electric POR programs are typically addressed in default  
12 service program cases.<sup>3</sup> Moreover, the Commission itself has employed default  
13 service cases to address and decide many issues unrelated to generation  
14 procurement, including retail market enhancement issues. To cite only two  
15 significant examples, in *Investigation of Pennsylvania’s Retail Electricity Market:*  
16 *Recommendations Regarding Upcoming Default Service Plans*,<sup>4</sup> the Commission  
17 directed EDCs to include in their then-upcoming default service plans retail opt-in  
18 auctions and standard offer customer referral programs. These directives were  
19 repeated in the Commission’s March 2, 2012 Order in *Investigation of*

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<sup>3</sup> *Investigation of Pennsylvania’s Retail Nat. Gas Supply Mkt.*, Docket No. I-2013-2381742 (Order entered Dec. 18, 2014), p. 35.

<sup>4</sup> *Investigation of Pennsylvania’s Retail Elec. Mkt.: Recommendations Regarding Upcoming Default Service Plans*, Docket No. I-2011-2237952 (Final Order entered Dec. 16, 2011), pp. 21-44.

1           *Pennsylvania's Retail Electricity Market: Intermediate Work Plan.*<sup>5</sup> EGSs have  
2           also introduced non-procurement issues, such as customer assistance program  
3           customer shopping and recovery of certain charges imposed by PJM  
4           Interconnection, L.L.C. (“PJM”), in default service proceedings.

5   **Q.    Do you agree with Mr. Small’s contention that the clawback provision is**  
6           **“retroactive” in nature?**

7    A.    No. First, neither the 2016 nor 2017 clawback charges were imposed on Respond  
8           Power until after the entry of the DSP IV Final Order approving the clawback  
9           provision. Second, the use of historical data to run the screens to identify EGSs  
10          that should pay the clawback charge is not retroactive ratemaking. There are a  
11          number of examples of rates and charges imposed by the Companies that rely on  
12          historical data generated prior to the approval and implementation of such rates  
13          and charges, as I will explain later in my testimony.

14   **Q.    In his direct testimony, Mr. Small contends that the clawback provision is a**  
15          **tool to change EGS behavior and would amount to a “double recovery” of**  
16          **uncollectible accounts expense through the clawback charge and base rates.**  
17          **How do you respond?**

18    A.    Any charges assessed under the clawback provision are imposed based on the  
19          principle of cost causation. EGSs that have much higher than average write-offs

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<sup>5</sup> *Investigation of Pennsylvania's Retail Elec. Mkt: Intermediate Work Plan*, Docket No. I-2237952 (Final Order entered Mar. 2, 2012). Standard offer customer referral programs are delineated at pages 20-32. Retail opt-in auction programs are discussed at pages 33-71. The Commission directed that both programs be developed in the context of EDCs’ then-upcoming default service plans. See pp. 30-31 and 36-37.

1 and charge prices much higher than the PTC impose costs that, absent the  
2 clawback charge, would be borne entirely by the Companies and their customers.  
3 Accordingly, the clawback provision is a reasonable means to charge the EGSs  
4 that are responsible for costs they impose. It appears Respond Power would  
5 prefer if the Companies imposed a one-size-fits-all, across-the-board discount to  
6 purchased receivables to offset high uncollectible accounts (*see* Respond Power  
7 St. 1, pp. 5-6 & 1-Supp, pp. 3-4). However, that approach ignores cost causation  
8 and would have EGSs with lower write-off percentages subsidizing EGSs like  
9 Respond Power, whose business model involves charging prices well above the  
10 PTC and thereby generating very high write-off percentages.

11 Mr. Small is also wrong to contend that there is any “double recovery.”  
12 The clawback charge is designed to ensure that if uncollectible accounts expense  
13 is less than the amount included in the Companies’ rates, the clawback revenues  
14 are returned to distribution customers.

15 **Q. Mr. Small raises several alleged concerns about the structure of the clawback**  
16 **provision, including the order of posting partial payments, the service**  
17 **periods to which the written-off amounts relate and crediting of post-write-**  
18 **off payments. Do any of these concerns make application of the clawback**  
19 **provision to Respond Power unjust and unreasonable?**

20 **A.** No. Mr. Small is wrong because he ignores the most important feature of the  
21 clawback provision. It does not measure an EGS’s experience relative to an  
22 absolute standard, but rather each individual EGS’s experience relative to the

1 average of all EGSs providing service in a Company's service area. The  
2 Companies use the same methodology to calculate all of the EGSs' write-offs and  
3 average prices and, based on that consistent approach, identify the EGSs that  
4 exceed the write-off and price thresholds used to determine the clawback charge.

5 To illustrate, while the Companies did not credit post-write-off payments  
6 in calculating Respond Power's write-off percentage, they did not credit such  
7 payments for any other EGSs either; hence, there is a fair "apples to apples"  
8 comparison. So long as the same approach is used consistently for all EGSs,  
9 Respond Power is not being treated unreasonably or inequitably.

10 **Q. Does the clawback provision limit the prices an EGS can charge, as Mr.**  
11 **Small contends?**

12 **A.** No. Nothing about the clawback provision limits prices. It is simply a  
13 mechanism designed to track cost-causation and, as such, implements the charge  
14 for EGSs that create the greatest risk of excessive write-offs. Charging prices that  
15 exceed 150% of the PTC is one (but only one) of the indications of increased risk  
16 of imposing excessive levels of write-offs. In fact, a number of EGSs charged  
17 prices that exceeded 150% of the PTC but were not subject to the clawback  
18 charge in 2017. *See* Exhibit KLB-1. That is because the clawback provision has  
19 two screens (price relative to the PTC and write-off percentage relative to other  
20 EGSs).

1 **III. BACKGROUND OF THE COMPANIES' POR PROGRAMS AND THE**  
2 **NEED FOR A MECHANISM TO ADDRESS POR-RELATED WRITE-**  
3 **OFFS**

4 **Q. Please briefly describe the POR programs included in the Companies'**  
5 **Supplier Coordination Tariffs.**

6 A. Consistent with the Commission's Policy Statement at 52 Pa. Code § 69.1814,  
7 each of the Companies agreed to provide, and the Commission approved, POR  
8 programs for residential and small commercial accounts served by EGSs.  
9 Notably, each Company's POR program, as well as the POR programs of Met-Ed  
10 and Penn Power, was either adopted or substantially revised in a default service  
11 proceeding.<sup>6</sup> The Companies' POR program entails purchasing accounts  
12 receivable from participating EGSs at a zero-discount rate. Under this program,  
13 the Companies pay the face value of the accounts receivable without recourse to  
14 the EGS regardless of what the Companies are actually able to collect from  
15 customers.

16 **Q. Under the Companies' POR program, who bears the risk of customer**  
17 **accounts that write-off?**

18 A. That risk is borne by the Companies and by their customers. Therefore, all other  
19 things being equal, absent a mechanism like the Commission-approved clawback

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<sup>6</sup> See *Joint Petition of Metropolitan Edison Company and Pennsylvania Electric Company for Approval of Their Default Service Programs*, Docket Nos. P-2009-2093053 and P-2009-2093054 (Opinion and Order approving settlement entered November 6, 2009) (Met-Ed and Penelec); *Petition of Pennsylvania Power Company for Approval of its Default Service Programs*, Docket No. P-2010-2157862 (Opinion and Order approving settlement entered November 17, 2010) (Penn Power); *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Default Service Programs*, Docket Nos. P-2013-2391368, et al. (Opinion and Order approving settlement entered July 24, 2014) (revising West Penn).

1 provision, EGSs do not need to consider the potential for excessive write-offs in  
2 marketing their products to residential and small commercial customers.

3 **Q. How do the Companies recover uncollectible accounts expense associated**  
4 **with their POR programs?**

5 A. Allowances for uncollectible accounts expense were approved in the Companies'  
6 2014 and 2016 base rate cases. A portion of those allowances is attributable to  
7 distribution rates and the balance is attributable to the provision of default service  
8 and the POR program. The default service and POR-related portion of  
9 uncollectible accounts expense for each Company is recovered through the  
10 Companies' Default Service Support ("DSS") Riders on a non-bypassable basis.

11 **Q. Did the Companies propose any modifications to their POR programs in**  
12 **their DSP IV proceeding?**

13 A. Yes. The Companies proposed the addition of a clawback provision to their POR  
14 programs in DSP IV to reduce the Companies' and customer exposure to  
15 increased uncollectible expense due to excessive EGS write-offs. In analyzing  
16 growth in uncollectibles since their 2014 base rate proceeding, the Companies  
17 identified an approximate \$7 million increase in POR-related net write-offs since  
18 2012, when they began tracking discrete categories of write offs. The Companies  
19 further identified a wide variance in percentages for EGS write-offs as a  
20 percentage of generation revenues billed over a twelve-month period.

21 In order to address this disparity in EGS-related write-off percentages, the  
22 Companies proposed to collect a portion of growing uncollectible accounts

1 expense from EGSs; specifically, those EGSs whose practices are driving higher  
2 write-offs as a product of the types of offers they make to customers. Because  
3 collection is not an issue EGSs must concern themselves with, the Companies and  
4 customers are unfairly burdened by certain EGSs with a higher percentage of  
5 write-offs whose business models involve charging exorbitant prices.

6 **Q. Mr. Small does not dispute that the Companies have experienced**  
7 **incremental uncollectible accounts expense, but suggests that it should be**  
8 **addressed through a POR discount. Did the Companies consider the POR**  
9 **discount rate recommended by Mr. Small?**

10 **A.** Yes. However, the Companies do not support using a discount rate because it  
11 would apply to all EGSs and result in the majority of EGSs providing a subsidy to  
12 the smaller number of EGSs that create the greatest risk of generating excessive  
13 write-offs and charge the highest premiums above the PTC. The clawback  
14 provision was designed to maintain the zero discount rate for the vast majority of  
15 EGSs that help foster a truly competitive market. The fact that the Commission  
16 has previously adopted a discount model for other EGSs (DLC and PPL Electric  
17 Utilities) does not necessarily mean that the discount model is the only approach  
18 to cost recovery of these expenses, nor is it the most effective, approach towards  
19 managing these costs. Finally, a discount model creates a subsidy for EGSs with  
20 disproportionately higher write-offs than their peers.

21 Notably, the clawback charges assessed in 2016 and 2017 would translate  
22 to an effective POR discount rate of 0.09% for Penelec and 0.04% for West Penn.

1           These figures are in line with or below the discount rate applied to Respond  
2           Power’s residential accounts receivables purchased by DLC (0.1%) and PPL  
3           Electric Utilities (2.31%).

4   **Q.   Is it possible for the Companies to recover the cost of uncollectible expense**  
5           **through base rates and again in the clawback charge?**

6   A.   No. The uncollectible accounts expense being recovered in rates is the baseline.  
7           If uncollectible accounts expenses exceed the baseline, the Company is  
8           compensated through the clawback charge for otherwise uncompensated costs it  
9           incurs. If uncollectible expenses are less than the baseline, the clawback revenues  
10          are returned to customers to reduce the cost burden they otherwise would bear.  
11          Absent the clawback charge, either the Companies or customers would be  
12          providing a subsidy to EGSs whose business plans produce much higher write-  
13          offs than the average for the entire EGS population and charge prices much higher  
14          than the PTC.

15   **Q.   Does the clawback charge change the Companies’ POR programs from**  
16          **“non-recourse” to “with recourse,” as Mr. Small contends?**

17   A.   Contrary to Respond Power’s assertion, an EGS subject to a clawback charge  
18          would not be responsible for the uncollectible accounts expense generated by its  
19          customers. Therefore, an EGS participating in the Companies’ POR programs  
20          continues to avoid the costs and risks associated with collecting any delinquent  
21          amounts owed by its customers. The clawback charge is an administrative fee  
22          charged to participating EGSs that have exhibited excessive levels of write-offs

1 due in large part to charging prices that significantly exceed the applicable  
2 Company's PTC. The clawback provision is structured such that the vast  
3 majority of EGSs will be able to continue to enjoy the benefits of a non-recourse  
4 POR program that offers a zero discount rate. The clawback provision is directed  
5 to those specific EGSs who are creating excessive write-offs and therefore driving  
6 higher uncollectible expenses for the Companies and their customers.

7 **IV. RESPOND POWER'S OPPORTUNITY TO CHALLENGE THE POR**  
8 **CLAWBACK PROVISION APPROVED IN THE COMPANIES' FOURTH**  
9 **DEFAULT SERVICE PROGRAM PROCEEDING**

10 **Q. Was the Companies' DSP IV filing served on all EGSs registered in their**  
11 **service territories, including Respond Power?**

12 A. Yes. On November 3, 2015, the Companies and their affiliated EDCs in  
13 Pennsylvania filed the DSP IV Joint Petition requesting the relief set forth therein,  
14 including revisions to their POR programs. On the same day, in accordance with  
15 default service regulations at 52 Pa. Code §§ 54.185 and 54.188, the Joint Petition  
16 was served upon, *inter alia*, all EGSs licensed to sell electric generation in the  
17 service areas of the Joint Petitioners and RESA. As shown on the transmittal  
18 letter and certificate of service accompanying the Companies' DSP IV filing at  
19 Docket Nos. P-2015-2511351, P-2015-2511353, P-2015-2511355 and P-2015-  
20 2511356, Respond Power was included on the certificate of service. Indeed, Mr.  
21 Small concedes that as General Counsel he is the person responsible for reading  
22 and reviewing legal pleadings that are served on Respond Power and that he  
23 received service of the DSP IV filing but did not read beyond the caption. *See*

1 Confidential Exhibit KLB-2 (Responses to Respond I-18, 20 and 22); Respond  
2 Power St. 1, pp. 13-14 & 1-Supp, p. 9.

3 A Notice was published in the November 14, 2015 edition of the  
4 Pennsylvania Bulletin explaining how any interested party could intervene in the  
5 proceeding initiated by the DSP IV Joint Petition. The Notice also stated that a  
6 Prehearing Conference was scheduled for December 1, 2015, commencing at  
7 10:00 A.M., before Administrative Law Judge David A. Salapa, to be held in  
8 Hearing Room 4 of the Commonwealth Keystone Building in Harrisburg.  
9 Contact information for Judge Salapa was also provided.

10 **Q. Was the clawback provision proposal discussed in several areas of the DSP**  
11 **IV filing?**

12 **A. Yes. The second paragraph of the DSP IV Joint Petition, which begins on page 2**  
13 **and carries over to page 3 of that pleading, sets forth in twelve separately**  
14 **numbered items each of the specific approvals that the Companies were**  
15 **requesting the Commission to grant, including “approving the Companies’**  
16 **proposed revisions to their respective supplier tariffs related to their purchase of**  
17 **receivables (‘POR’) programs.”<sup>7</sup>**

18 Paragraph No. 8, at page 5 of the DSP IV Joint Petition, sets forth a  
19 summary of the subject matter addressed in the direct testimony of each of the  
20 three witnesses whose statements were submitted with, and attached to, the DSP

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<sup>7</sup> DSP IV Joint Petition, p. 3.

1 IV Joint Petition. The summary of Met-Ed/Penelec/Penn Power/West Penn  
2 Statement No. 3 (the Direct Testimony I submitted in the DSP IV case) states that  
3 I was testifying about the Joint Petitioners' "Purchase of Receivables Program"  
4 and "Related Tariff Matters." In Statement No. 3, over eight pages in question  
5 and answer form, I explained the terms of the proposed clawback provision, why  
6 it was being proposed, how it would be calculated, and how its proceeds would be  
7 applied. I also sponsored Met-Ed/Penelec/Penn Power/West Penn Exhibits KLB-  
8 4 through KLB-7, consisting of proposed supplements to each of the Companies'  
9 Supplier Coordination Tariffs. The exhibits included the terms of the proposed  
10 clawback provision.

11 Section V of the DSP IV Joint Petition has the title (bolded and in all  
12 capital letters) "**PURCHASE OF RECEIVABLES.**" Subsection A., titled  
13 "**EGS-Related Write-Offs,**" contains four separately numbered paragraphs  
14 explaining the Companies' proposal to impose an administrative clawback charge.

15 **Q. Do you agree with Mr. Small's contention that the Companies were required**  
16 **to seek Commission approval of POR program changes through a stand-**  
17 **alone Supplier Coordination Tariff filing?**

18 A. No. As I previously explained, the Commission has stated that it is customary for  
19 POR programs to be addressed in electric default service proceedings and has  
20 validated the propriety of addressing EDC supplier charges in proceedings on  
21 EDC default service programs. Penelec's POR program was also adopted in a  
22 default service case and West Penn's POR program was substantially revised in a

1 default service proceeding. Moreover, the clawback provision is not the first  
 2 change to the Companies' Supplier Coordination Tariffs that has been approved  
 3 in the context of a default service program. For example, in prior default service  
 4 proceedings, the Commission-approved Supplier Coordination Tariff revisions  
 5 related to the acquisition of certain transmission services and the recovery of  
 6 associated costs through the Companies' DSS Riders.<sup>8</sup> In fact, as shown in Table  
 7 1 below, a significant portion of testimony and interrogatories covered non-  
 8 procurement issues in the Companies' DSP I, DSP II, DSP III and DSP IV  
 9 proceedings.<sup>9</sup>

10 **Table 1**

	Testimony Pages				Total Pages	Interrogatories
	Procurement Topics	Percentage	Other Topics	Percentage		Other Topics
DSP I	1840	64%	1050	36%	2890	80
DSP II	1390	41%	1970	59%	3360	240
DSP III	770	63%	450	37%	1220	170
DSP IV	470	53%	420	47%	890	110
Total	4470	53%	3890	47%	8360	600

12  
 13 **Q. Did any other EGSs intervene in the DSP IV proceeding and address the**  
 14 **POR clawback proposal?**

15 A. Yes. RESA and two EGSs that market generation services in the Companies'  
 16 service areas: Direct Energy and Noble Americas Energy Solutions, LLC

<sup>8</sup> See *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Serv. Programs*, Docket Nos. P-2013-2391368, P-2013-2391372, P-2013-2391375 and P-2013-2391378 (Order entered July 24, 2014), pp. 15, 22.

<sup>9</sup> The figures in Table 1 represent rounded amounts of testimony pages and interrogatories.

1 (“Noble Americas”) intervened in the DSP IV proceeding. Other EGSs and  
2 RESA fully addressed the clawback provision on the record and in settlement  
3 negotiations that led to a provision substantially more lenient than the Companies’  
4 original proposal. Two changes significantly reduced the number of EGSs that  
5 potentially could be subject to the charge. First, the write-off threshold was raised  
6 from 150% to 200% of the average write-off percentage of all EGSs. Second,  
7 another screening feature was added. Specifically, even if an EGS had an average  
8 write-off percentage more than 200% of the average for all EGSs, it would not  
9 incur a clawback fee unless, during the review period, the average price it charged  
10 customers for generation was more than 150% of the applicable Company’s  
11 average PTC for the same period. RESA signed the Joint Petition for Settlement  
12 and no other EGSs that intervened in the DSP IV proceeding opposed it. While  
13 Respond Power is not itself a member of RESA, its affiliate, Spark Energy, LLC,  
14 is a member of RESA.<sup>10</sup>

15 **V. IMPLEMENTATION OF THE POR CLAWBACK PROVISION**  
16 **CONSISTENT WITH THE FINAL DSP IV ORDER**

17 **Q. How did the Companies employ the two-prong screening test to identify**  
18 **EGSs responsible for an annual clawback charge and to determine the**  
19 **amount of that charge?**

20 **A. The Companies applied the screening test under the clawback provision in the**  
21 **same manner to all EGSs serving residential and small commercial customers in**

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<sup>10</sup> See RESA’s website at <https://www.resausa.org/members>. Respond Power and Spark Energy are subsidiaries of a common parent. See Respond Power LLC License Update at Docket Nos. A-2010-2163898, C-2014-2427659 and C-2014-2438640 (May 4, 2016).

1 their service territories. Specifically, the Companies first analyzed revenues and  
2 write-offs during the applicable test period ending August 31 for each EGS  
3 participating in the applicable Company's POR program to calculate individual  
4 write-off percentages and an average EGS write-off percentage. Write-offs are  
5 customer accounts receivable balances that become delinquent due to non-  
6 payment and are written off the Company's books approximately 182 days after a  
7 customer's account is final billed. The Companies next calculated an average  
8 rate for each EGS based on their revenues and kWh sold over the applicable  
9 twelve-month test period and compared that rate to 150% of the weighted average  
10 quarterly PTC for residential and small commercial customers over the same  
11 period. For those EGSs identified by both prongs of the test, the annual clawback  
12 charge assessed is the difference between the EGS's actual write-offs and its  
13 actual write-off amount calculated at 200% of the average EGS percentage of  
14 write-offs per Company.

15 **Q. How did Respond Power's results under the screening test compare to other**  
16 **EGSs registered in the Companies' service territories and participating in**  
17 **their POR programs?**

18 A. As shown on Exhibit KLB-1, Respond Power's write-off percentage was 14.79%  
19 and 14.42% for Penelec and West Penn, respectively, in 2016 and 8.87% and  
20 9.51% for Penelec and West Penn, respectively, in 2017. These write-off  
21 percentages are a minimum of three times and up to seven times 200% of the  
22 average write-offs experienced by over sixty-five other EGSs. In fact, in 2016,  
23 Respond Power had the highest write-off percentage of any EGS serving

1 residential and small commercial customers in West Penn's service territory and  
2 the second highest in Penelec's. Likewise, Respond Power is charging some of  
3 the highest prices for generation in the market, which are, on average, more than  
4 250% of the applicable PTC. *See* Exhibit KLB-1. Based on the results of the  
5 screening test, two other EGSs participating in the Companies' POR programs  
6 were subject to a clawback charge in 2016 and 2017.

7 **Q. Ms. Bortz, please describe the 2016 and 2017 clawback charge calculations**  
8 **attached to Mr. Small's direct and supplemental direct testimony as RP**  
9 **Exhibit AS-2 and RP Exhibit AS-10, respectively.**

10 A. After determining that Respond Power satisfied both prongs of the screening test,  
11 the Companies first applied 200% of the EGS average write-off percentage for  
12 each Company to Respond Power's revenues in the applicable service territory.  
13 The charge assessed by the Companies recovers the amount of Respond Power's  
14 write-offs over this amount as shown in columns ten and eleven of RP Exhibit  
15 AS-2 and RP Exhibit AS-10 for 2016 and 2017, respectively. Notably, in  
16 response to the Companies' interrogatories, Mr. Small admits that Respond Power  
17 has not identified any computational errors in the calculation of the 2016  
18 clawback charge invoices. *See* Exhibit KLB-3 (Responses to Respond-I-11 and  
19 Respond I-12). Similarly, even though the Companies provided the source data  
20 and supporting calculations for the 2017 clawback charge invoices in the  
21 discovery process on November 13, 2017, Mr. Small did not identify any  
22 computational errors in those calculations in his supplemental direct testimony  
23 served on November 29, 2017.

1 VI. USE OF HISTORICAL DATA IS NOT RETROACTIVE RATEMAKING

2 Q. Do you agree with Mr. Small's contention that because the clawback  
3 provision employs screening measures that are based on historical data, its  
4 application to Respond Power is "unjust and unreasonable"?

5 A. No. The same amount of write-off data accrued for Respond Power as all other  
6 EGSs participating in the Companies' POR programs at the time of the  
7 application of the screening test in both 2016 and 2017. Moreover, the clawback  
8 charge is not assessed based on an absolute value for an individual EGS but rather  
9 relative to all EGSs. For these reasons, it does not matter when Respond Power's  
10 write-offs started to accumulate compared to the effective date of the clawback  
11 provision or the date of the invoices issued by the Companies to Respond Power.

12 Q. Do any other EDCs impose administrative charges under their supplier  
13 tariffs that are established using historical values?

14 A. Yes. DLC's Commission-approved supplier coordination tariff includes a  
15 mechanism for imposing what it denominates as a penalty on EGSs for excessive  
16 POR-related write-offs, which is based on a historic twelve-month review period  
17 comparable to the one employed in the clawback provision. Under the terms of  
18 its revised POR program, DLC monitors individual EGSs' uncollectible  
19 percentage rates and, if an EGS's rate exceeds 5% for the most recent twelve-

1 month period, DLC may increase the discount rate for that EGS's accounts by the  
2 difference between its uncollectible percentage rate and 2%.<sup>11</sup>

3 **Q. Are there other examples of rates and charges that relied on historical data**  
4 **generated prior to the date those rates and charges were either approved or**  
5 **implemented?**

6 A. Yes, there are. I will begin by discussing several examples that pertain directly to  
7 the Companies and their Pennsylvania affiliates, including new rates and charges  
8 approved in the Companies' 2014 base rate cases

9 **Q. Please identify the rates and charges approved in the Companies' 2014 base**  
10 **rate cases that employed historical data predating Commission approval to**  
11 **bill customers for service rendered after those rates and charges were**  
12 **implemented.**

13 A. In 2014, the Companies, together with their affiliates Met-Ed and Penn Power,  
14 filed base rate cases.<sup>12</sup> As part of their respective rate filings, the Companies,  
15 Met-Ed and Penn Power proposed to establish three uniform rate schedules to

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<sup>11</sup> See DLC Electric Generation Supplier Coordination Tariff, Third Revised Page No. 30A, ¶ 12.1.7.2.2 (Effective September 1, 2017). DLC's POR program, including the purchase price discount for individual EGSs that exceed the uncollectible percentage rate threshold, was initially established as part of its default service program for the period January 1, 2008 through December 31, 2010 (known as "POLR IV"). See *Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period January 1, 2008 Through December 31, 2010*, Docket No. P-00072247 (Recommended Decision issued May 8, 2007), Appendix A, ¶ 5. The POLR IV Recommended Decision was adopted and approved without modification by Commission Order entered June 21, 2007. A copy of DLC Statement No. 5 and its accompanying exhibit consisting of DLC's tariff supplement imposing the previously described POR discount adjustments was attached as Appendix A to the Answers and New Matter filed by Penelec and West Penn on December 8, 2016.

<sup>12</sup> The base rate cases were filed at Docket Nos. R-2014-2428745 (Met-Ed), R-2014-2428743 (Penelec), R-2014-2428744 (Penn Power) and R-2014-2428742 (West Penn).

1 apply to Commercial customers, consisting of GS Small (available to customers  
2 up to 1500 kWh per month), GS Medium (available to customers with billed  
3 demand up to 400 kW for at least two consecutive months) and GS Large  
4 (available to customers with billed demand exceeding 400 kW).<sup>13</sup> Rate Schedules  
5 GS Medium and GS Large both imposed a minimum bill based on the following  
6 minimum billing demand requirement (I have italicized the language relevant to  
7 my discussion):

8 A Customer's demand shall be measured by indicating or  
9 recording instruments. Demands shall be integrated over  
10 15-minute intervals. The billing demand in the current  
11 month shall be the greatest of: (i) the maximum measured  
12 demand established in the month during On-peak hours,  
13 adjusted for Power Factor as stated herein, (ii) forty percent  
14 (40%) of the maximum measured demand established in  
15 the month during Off-peak hours, adjusted for Power  
16 Factor as stated herein, (iii) contract demand or (iv) *fifty*  
17 *(50%) of the highest billing demand established during the*  
18 *preceding eleven (11) months.*

19 The terms of proposed Rate Schedules GS Medium and GS Large (except  
20 for the numerical value of the relevant charges, which were reduced) were  
21 approved by the Commission. Accordingly, Rate Schedules GS Medium and GS  
22 Large were included in each Company's compliance tariff and became effective  
23 for service rendered on and after May 3, 2015.

24 Subsection (iv) of the minimum billing demand provision (the italicized  
25 language quoted above), operates as a form of demand "ratchet," such that the  
26 minimum billing demand (which is the principal determinant of the customer's

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<sup>13</sup> The establishment of uniform rate classifications for Commercial customers and the minimum billing demand requirement discussed above were set forth in the direct testimony of Kevin M. Siedt (Met-Ed/Penelec/Penn Power/West Penn Statement No. 4, pp. 15, 18-19 and 29).

1 minimum bill) can never be lower than the highest billing demand established  
2 during the preceding eleven months. As I noted above, that provision was  
3 introduced for the first time in the proposed tariff filed to initiate the Companies'  
4 and Met-Ed's and Penn Power's base rate cases, was approved by the  
5 Commission, and became effective as of May 3, 2015. As a result, the largest  
6 element of the billing determinants for GS Medium and GS Large customers  
7 (demand), which would determine those customers' bills for service rendered in  
8 the future, was based on data predating the approval and implementation of the  
9 new rate by as much as eleven months. The reliance on such historical data to  
10 establish bills for future service was not found to be unjust or unreasonable. In  
11 fact, no party, including representatives of parties that would be directly affected  
12 by the then-proposed rate, voiced any objection on those grounds.

13 Additionally, in Penn Power's 2014 base rate case, there is another  
14 example of reliance on historical data predating a rate change to determine bills  
15 for service rendered after the change was approved. Prior to the conclusion of its  
16 2014 base rate case, Penn Power did not have a customer classification that  
17 corresponded to the GS Large class of its Pennsylvania affiliates. Therefore, as  
18 part of its rate filing, Penn Power proposed to establish a new classification – GS  
19 Large – to be available to customers with 400 kW of billed demand. That  
20 availability provision would, however, be applied based on historical demands  
21 that occurred during the twelve months that preceded the implementation of the  
22 approved rate. Assigning a customer to Rate Schedule GS Large directly  
23 determined the rates that customer would pay (i.e., Rate Schedule GS Large

1           versus the rates for the classification that would have applied prior to approval of  
2           Penn Power’s compliance tariff). The new Rate Schedule GS Large (and the  
3           classification of customers based on the new availability provision in that rate  
4           schedule) was approved and became effective with respect to customer bills for  
5           service rendered on and after May 3, 2015. This is another directly applicable  
6           example of billing determinants for future service being established – with  
7           Commission approval – based on historical data predating the effective date of the  
8           new rate. Once again, this rate change was determined to be just and reasonable.

9       **Q.    Are there similar examples with respect to rates and charges established in**  
10       **proceedings other than base rate cases?**

11      A.    Yes, there are. Similar examples are provided by rates established in the  
12       proceeding that approved the first Energy Efficiency and Conservation (“EE&C”)  
13       Plans for Met-Ed, Penelec and Penn Power<sup>14</sup> and in the consolidated proceeding  
14       for approval of the second Default Service Plans (“DSP II”) for the Companies,  
15       Met-Ed and Penn Power.<sup>15</sup>

16      **Q.    Please explain the rate approved in the EE&C Order that employed**  
17       **historical data to determine bills for future service.**

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<sup>14</sup> *Joint Petition of Metropolitan Edison Co., Pennsylvania Elec. Co. and Pennsylvania Power Co. for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans*, Docket Nos. M-2009-2092222 *et al.*, 2010 Pa. PUC LEXIS 561 (Final Order entered Jan. 28, 2010) (“EE&C Order”).

<sup>15</sup> *Joint Petition of Metropolitan Edison Co., Pennsylvania Elec. Co. and Pennsylvania Power Co. for Approval of Their Default Service Programs*, Docket Nos. P-2011-2273650 *et al* (Final Order entered Aug. 16, 2012) (“DSP II Order”).

1 A. In the EE&C proceeding, the Commission directed Met-Ed and Penelec to  
2 implement a rate to recover EE&C costs for large commercial and industrial  
3 customers through a demand based charges “based on a customer’s PJM Peak  
4 Load Contribution (PLC) as the cost recovery mechanism.”<sup>16</sup> The Peak Load  
5 Contribution or “PLC” was established during the year prior to the rate  
6 implementation and, as such, reflected peak load that was established before the  
7 affected customers could have known that their prospective EE&C rate would be  
8 based on that billing determinant. The Commission determined that the rate  
9 mechanism was just and reasonable. In fact, the PLC demand-based rate was not  
10 proposed by Met-Ed or Penelec but, instead, was ordered by the Commission  
11 itself.

12 **Q. Please explain the rate approved in the DSP II Order that employed**  
13 **historical data to determine bills for future service.**

14 A. In their consolidated DSP II proceeding, the Companies, Met-Ed and Penn Power  
15 proposed to recover certain non-market based (“NMB”) transmission service  
16 charges from all customers on a non-bypassable basis through their DSS Riders  
17 on a per-kWh basis. The Commission determined that some, but not all, of the  
18 NMB transmission service charges could be recovered from all customers through  
19 the DSS Rider. In addition, the Commission – contrary to the Companies’  
20 proposal – determined that the NMB costs should be allocated among customer  
21 classes based upon the “one coincident peak methodology” employed by PJM.

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<sup>16</sup> EE&C Order, 2010 Pa. PUC LEXIS 561, \*46.

1 As a consequence, the cost allocation that would determine the NMB charge  
2 under the DSS Rider would be based on coincident peak determined for a historic  
3 period that pre-dated the approval and implementation of that charge. As a result,  
4 the charge thus used to bill customers for future service would be based on a  
5 billing determinant that resulted from historical peak data relating to a period  
6 prior to the approval of that rate. Once again, the Commission found that reliance  
7 on historical data predating rate approval to determine customer bills for  
8 prospective periods was lawful, just and reasonable.

9 **VII. THE DESIGN OF THE CLAWBACK PROVISION IS REASONABLE**  
10 **AND ENSURES FAIR RECOVERY OF EXCESSIVE EGS WRITE-OFFS**  
11 **FROM ONLY THOSE ELECTRIC GENERATION SUPPLIERS DRIVING**  
12 **HIGHER UNCOLLECTIBLE EXPENSE**

13 **Q. What is the overall purpose of the addition of the clawback provision in the**  
14 **Companies' Supplier Coordination Tariffs?**

15 A. The clawback provision is designed to address the disparity in EGS write-off  
16 percentages and thereby reduce the Companies' and customers' exposure to those  
17 individual EGS write-offs that are excessive compared to their peers.  
18 Accordingly, the first prong of the screening test is not based on the absolute  
19 value of an individual EGS's write-offs but rather measures an EGS's write-off  
20 experience relative to the average of all EGSs. This structure ensures that only  
21 those individual EGSs responsible for causing higher uncollectible expense  
22 trigger the clawback provision.

23 **Q. Ms. Bortz, please summarize Respond Power's primary concerns regarding**  
24 **the first prong of the screening test.**

1 A. In his direct and supplemental direct testimony, Mr. Small offers various reasons  
2 why he believes the design and structure of the first prong of the screening test are  
3 unfair or unreasonable. First, he asserts that while write-offs were accruing,  
4 Respond Power had no knowledge customers were not paying their bills and no  
5 ability to manage its write-off amounts by, for example, returning customers to  
6 default service. Mr. Small next complains that under the Companies' payment  
7 posting priority, partial payments go to unpaid distribution charges first. Third,  
8 Mr. Small asserts that the service periods for Respond Power's write-off amounts  
9 include unpaid charges dating back to 2013 and do not match the period for the  
10 PTC price comparison screen. Mr. Small also claims that because no credit is  
11 given for post write-off payments by customers, the Companies can collect the  
12 same amounts twice – once from Respond Power and once from the customer that  
13 made the payment. In addition, Mr. Small argues that Respond Power refunded  
14 \$5 million to customers it served between January and June 2014 to settle the  
15 Polar Vortex investigation and the Companies' attempt to assess clawback  
16 charges for any of those customers' write-offs would result in Respond Power  
17 being "penalized" twice (*see* Respond Power St. 1, p. 23). Finally, according to  
18 Mr. Small, Respond Power might not have served the customers with written off  
19 accounts for the entire period the receivable was generated. Each of these  
20 concerns is unwarranted for the reasons I discuss in more detail below.

21 **Q. Does the fact that EGSs do not have access to information regarding the**  
22 **payment status of their customer accounts or control over the Companies'**

1            **collection efforts provide a basis for Respond Power to avoid application of**  
2            **the clawback provision, as Mr. Small suggests?**

3        A.     No. Respond Power is in the exact same position as other EGSs regarding  
4            management of write-off amounts. Indeed, an EGS is free to request information  
5            regarding its non-paying customers through the Companies' Supplier Services  
6            website. Respond Power has not made such a request since the time the first  
7            clawback charges were invoiced by the Companies on September 27, 2016, and  
8            never made such a request prior to that date. Throughout his testimony, Mr.  
9            Small simply ignores the fact that the clawback provision measures each  
10           individual EGS's experience relative to the average of all EGSs providing service  
11           in a Company's service area. No other EGSs had any different access to customer  
12           payment information than Respond Power. Additionally, Mr. Small also ignores  
13           the fact that, as previously noted, there is a second prong to the clawback  
14           provision's screening test – EGS prices must, on average, exceed 150% of the  
15           applicable average PTC. Pricing information is publicly available to allow any  
16           EGS to monitor its prices relative to the applicable PTC. Specifically, under the  
17           Companies' current PTC Riders approved by the Commission in the DSP IV  
18           Final Order, the Companies project the cost of supply for their Residential and  
19           Commercial default service customers on a quarterly basis. This projection,  
20           which includes a factor for reconciliation of any over or undercollections of actual  
21           revenues against actual costs, forms the basis of the PTC. The PTC for each  
22           quarter is filed the latter of forty-five days prior to the effective date or seven days  
23           after the last supply auction. Thus, the applicable PTC is made available to the

1 public – including any interested EGS – on the Companies’ website and on  
2 PaPowerSwitch.com.

3 **Q. On page 18 of Respond Power Statement No. 1, Mr. Small states that if**  
4 **Respond Power had been aware that its customers were not paying their**  
5 **bills, it would have contacted them directly to determine if “different terms**  
6 **of service” would help them pay their bills. Has Respond Power taken such**  
7 **action to date?**

8 A. *No. Even though the Companies provided detailed customer account information*  
9 *for Respond Power’s write-off amounts more than a year ago, Respond Power has*  
10 *not offered any new contracts to customers identified in RP Ex. AS-5 who are*  
11 *struggling to pay their bills. See Exhibit KLB-4 (Response to Respond-I-25).*  
12 *Moreover, while EGSs cannot deny service for credit-related reasons, nothing*  
13 *prevents the use of a credit screen to determine whether to offer a new contract*  
14 *with a lower rate to a low-income customer.*

15 **Q. Mr. Small takes issue with the Companies’ payment posting practices for**  
16 **partial customer payments. How do you respond?**

17 A. *Partial payments go to unpaid distribution charges first for all EGSs. In addition,*  
18 *the Companies’ payment posting procedures are consistent with Commission*  
19 *regulations. The posting practices are applied uniformly to all EGSs. Because*  
20 *Respond Power’s performance is assessed relative to the average for all EGSs,*  
21 *Respond Power is not disadvantaged by the posting procedure.*

1 **Q. Mr. Small comments that the service periods for write-offs date back to 2013**  
2 **and also do not match the time period for the pricing information for the**  
3 **clawback charge. Please explain.**

4 A. The clawback provision thresholds for write-off percentages and prices are two  
5 independent screens that are applied consistently to all EGSs to determine if an  
6 EGS will be assessed the clawback charge. The Companies' write-off  
7 procedures, in conjunction with partial payments from customers, can cause gaps  
8 between when unpaid charges accrue and write-offs occur. However, this does  
9 not introduce a factor that is unique to Respond Power. The same gap exists for  
10 all EGSs that are subject to the clawback provision. For Respond Power – as for  
11 all other EGSs – the average EGS price is consistently compared to the average  
12 PTC for the same period as the write-off. As a consequence, the design of the  
13 clawback charge does not require that the period of the write-offs match the time  
14 period for the pricing information in order to produce a fair and equitable charge.

15 **Q. Mr. Small expresses concern that no credit is given under the screening test**  
16 **for post-write-off payments made by customers. Is this a valid concern?**

17 A. No. The Companies employed the same methodology of excluding post-write-off  
18 customer payments for all EGSs. If credits for payments received after August 31  
19 in the relevant test period were applied to all EGSs' pre-August 31 write-offs, that  
20 approach would reduce the average EGS write-off percentage and potentially  
21 could result in Respond Power's write-off percentage being higher than it already  
22 was, with a corresponding increase in the charge to Respond Power.

1 **Q. Mr. Small contends that clawback charges assessed in 2016 and 2017 are**  
2 **unjust and unreasonable because the Companies did not account for**  
3 **Respond Power's Polar Vortex refunds to Pennsylvania customers totaling**  
4 **\$5 million. Do you agree?**

5 A. No. Respond Power has not shown that any refunds were paid and actually  
6 cashed by customers listed on RP Ex. AS-5 and RP Ex. AS-12. Moreover, as of  
7 March 31, 2017, of the \$4 million in refund checks issued by Respond Power,  
8 only 35,427 totaling \$2.4 million were cashed and paid.<sup>17</sup> In any event, Respond  
9 Power kept the payments that the Companies made at the face value of Respond  
10 Power's accounts receivable and did not check with the Companies to see if any  
11 of its customers to whom it owed a refund had an unpaid balance with the  
12 Companies and, therefore, should have been issued a bill credit instead of a check.  
13 For this reason, the Companies implemented a new Supplier Coordination Tariff  
14 provision in DSP IV, as Mr. Small notes in his direct testimony, to address EGS  
15 refunds.

16 **Q. Should Respond Power have an opportunity to explain why its write-off**  
17 **amounts were higher than average due to its business model or marketing**  
18 **practices, as Mr. Small asserts?**

19 A. No. While DLC allows for this opportunity and may waive the upward  
20 adjustment to the POR discount for an individual EGS based on the explanation  
21 given, that is not necessary here because, unlike DLC, the Companies' clawback

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<sup>17</sup> See March 2017 Refund Report, *McCloskey v. Respond Power*, Docket Nos. C-2014-2427659 and C-2014-2438640 (filed April 10, 2017).

1 charge is based on performance compared to the average performance of all EGSs  
2 and has a second screening measure that ensure it captures only EGSs charging  
3 rates substantially above the PTC. Further, while the Companies appreciate that  
4 there are many scenarios that an EGS may encounter in the marketplace,  
5 including a low number of customers served or acquisition of another EGS's  
6 books, these scenarios are not drivers for Respond Power's significant write-offs.  
7 As shown on Confidential Exhibit KLB-5, which is Attachment G provided in the  
8 response to Interrogatory-I-32, the vast majority of Respond Power customers  
9 identified on RP Exhibit AS-5 whose write-off amounts formed the basis of the  
10 2016 clawback charges were on a month-to-month contract. Under each of  
11 Respond Power's sales agreements in effect from June 2012 to date, a month-to-  
12 month contract is subject to a variable rate that reflects volatile market prices and  
13 a profit margin for Respond Power. *See* Exhibit KLB-6 (Attachment C to  
14 Respond I-7).

15 **Q. Mr. Small contends that write-off amounts used to calculate the write-off**  
16 **percentage under the first prong of the screening test may relate to unpaid**  
17 **charges of a different EGS. Do you agree?**

18 A. No. The write-off amounts included in the clawback calculation assessed to  
19 Respond Power are only for actual Respond Power accounts receivable. The  
20 Companies' SAP enterprise accounting software assigns a unique document  
21 number to each billing transaction. This document number provides the  
22 transaction details including the unique supplier code, which enabled the

1 Companies to determine that all the customers whose write-offs were used in the  
2 clawback calculation for Respond Power were in fact served by Respond Power.

3 **Q. Do you agree with Mr. Small's contention that the clawback provision limits**  
4 **prices in the EGS market?**

5 No. The clawback provision is not a mechanism to limit EGS pricing practices  
6 in any way. It does, however, properly encourage EGSs to consider the costs of  
7 uncollectible expense that might be created by their pricing practices, while it  
8 seeks to address the Companies' increasing write-offs and ensure fair recovery of  
9 those write-offs from only those EGSs that are creating them and driving higher  
10 uncollectible expenses. As I previously explained, an EGS's price relative to the  
11 PTC is only one of the two screens employed by the clawback provision and  
12 therefore some EGSs charged prices that exceed 150% of the PTC but were not  
13 subject to a clawback charge.

14 **VIII. THE CLAWBACK PROVISION DOES NOT HAVE AN ADVERSE**  
15 **IMPACT ON RETAIL COMPETITION**

16 **Q. Mr. Small asserts that the clawback provision will have an adverse financial**  
17 **impact on Respond Power. Do you agree?**

18 A. No. Respond Power provided no financial information that would support its  
19 claim that paying clawback charges totaling \$484,797 and \$211,012.54 in 2016  
20 and 2017, respectively, would put it in a difficult cash flow position. The  
21 statements of cash flow provided by Respond Power in the discovery process  
22 directly contradict this claim. **[BEGIN CONFIDENTIAL]** As shown on  
23 Confidential Exhibit KLB-7, Respond Power earned more than \$10 million in net

1 income in calendar year 2016 and more than \$13 million in net income during  
2 January through September 2017. [END CONFIDENTIAL]

3 **Q. Mr. Small also claims that the clawback provision will discourage EGSs from**  
4 **servicing the mass market customers in the Companies' service territories.**  
5 **Has the implementation of the clawback provision adversely impacted**  
6 **competition in the mass market?**

7 A. No. As a result of the DSP IV settlement, the Companies resumed hosting  
8 supplier workshops to provide the opportunity for EGSs to ask questions and  
9 address any concerns they have regarding the Companies' and their Pennsylvania  
10 EDC affiliates' default service program. To that end, the Companies hosted  
11 supplier workshops on December 8, 2016 and August 10, 2017. The workshops  
12 were well attended, and in fact Mr. Small attended the 2016 workshop, yet, there  
13 were no questions or concerns voiced by any of the EGSs in attendance regarding  
14 the clawback provision. Notably, none of the EGSs subject to clawback charges  
15 in 2016 and 2017, have left the market since it was implemented. Finally,  
16 according to PaPowerSwitch.com, as of December 19, 2017, there were 113  
17 offers from forty-eight different suppliers for residential supply in Penelec's  
18 territory and 105 offers from thirty-five suppliers in West Penn's territory, so  
19 there is no evidence demonstrating that the clawback provision has adversely  
20 impacted competition in the mass market.

1 IX. CONCLUSION

2 Q. Does this complete your direct testimony?

3 A. Yes, it does.

**Appendix A**  
**Resume: Education and Experience of Kimberlie L. Bortz**

Education:

Bachelor of Science Degree in Accounting - University of Maryland

Professional Certification:

Certified Public Accountant - Pennsylvania

Experience:

1989 – 1992	Senior Accountant - Deloitte & Touche
1992 – 1994	Senior Auditor - GPU Service Corporation
1994 – 1996	Financial Analyst - Metropolitan Edison Company
1996 – 1997	Sales and Marketing Team Lead - GPU Energy
1997 – 1999	Accounting Team Lead - GPU Advanced Resources
1999 – 2001	Comptroller - GPU Advanced Resources
2001 – 2004	Manager, Met-Ed Region Business Services - FirstEnergy Service Company
2004 – 2007	Manager, Customer Service Business Services - FirstEnergy Service Company
2007 – 2012	Director, PA Business Services - FirstEnergy Service Company
2012 – 2014	Accounting Lead, Financial Transformation Project - FirstEnergy Service Company
2014 – Present	Rates Advisor, Pennsylvania Rates and Regulatory Affairs - FirstEnergy Service Company

Prepared and presented testimony in the following rate-related cases:

Pa. P.U.C. Cases:

<i>Docket Nos.</i>	<i>Case Name</i>
R-2014-2428745	Metropolitan Edison Company – General Base Rate Filing
R-2014-2428743	Pennsylvania Electric Company – General Base Rate Filing
R-2014-2428744	Pennsylvania Power Company – General Base Rate Filing
R-2014-2428742	West Penn Power Company – General Base Rate Filing
P-2015-2511333	Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs
P-2015-2511351	Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs
P-2015-2511355	Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs
P-2015-2511356	Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs

Assisted in development and preparation in the following rate cases:

PA P.U.C. Cases:

<i>Docket Nos.</i>	<i>Case Name</i>
R-2016-2537349	Metropolitan Edison Company – General Base Rate Filing
R-2016-2537352	Pennsylvania Electric Company – General Base Rate Filing
R-2016-2537355	Pennsylvania Power Company – General Base Rate Filing
R-2016-2537359	West Penn Power Company – General Base Rate Filing

NY P.S.C. Cases

<i>Case Nos.</i>	<i>Case Name</i>
Case 17-E-0685	Waverly Base Rate Filing

*Penelec/West Penn Exhibit KLB-1*

DSP IV  
 POR Clawback Charge Report  
 For the Twelve Months Ended August 2016  
 Penelec

EGS	Total Revenues	EGS Write-Offs	EGS Write-Offs as a % of Revenue	1st Prong		2nd Prong		Subject to Clawback Charge
				200% of Average Writeoffs = 3.07%	Total kWh	Average \$/kWh	OpCo Average PTC 0.07111	
1		\$ 10,456	0.00%					
2	\$ 35,215,059	\$ 323,545	0.92%					
3	\$ 3,591,363	\$ 273,796	7.62%	x	48,113,898	0.07464	x	
4	\$ 11,913,942	\$ 2,652	0.02%					
5	\$ 22,121,662	\$ 4,437	0.02%					
6	\$ 571,779		0.00%					
7	\$ 19,748,175	\$ 56,012	0.28%					
8	\$ 8,883,163	\$ 1,781	0.02%					
9	\$ 3,905,172	\$ 9,861	0.25%					
10	\$ 1,860,363	\$ 126,742	6.81%	x	21,816,320	0.08527	x	
11	\$ 282,232		0.00%					
12	\$ 551,658	\$ 1,978	0.36%					
13	\$ 6,252,644	\$ 9,943	0.16%					
14	\$ 793,987	\$ 17,361	2.19%					
15	\$ 4,535,124	\$ 245,124	5.41%	x	52,792,416	0.08590	x	
16	\$ 8,729,715	\$ 11,220	0.13%					
17	\$ 6,600,977	\$ 63,449	0.96%					
18	\$ 2,951,102	\$ 194,213	6.58%	x	30,789,001	0.09585	x	
19	\$ 771,348		0.00%					
20	\$ 5,073,429		0.00%					
21	\$ 3,354,386	\$ 180,613	5.38%	x	41,005,951	0.08180	x	
22	\$ 8,276,456	\$ 17,655	0.21%					
23	\$ 157,601	\$ 15,066	9.55%	x	1,644,349	0.09584	x	
24	\$ 9,023,809	\$ 235,951	2.61%					
25	\$ 15,207		0.00%					
26	\$ 7,870,001	\$ 421,604	5.36%	x	80,031,123	0.09834	x	
27	\$ 1,631,653	\$ 12,682	0.78%					
28	\$ 1,450,472	\$ 30,136	2.08%					
29		\$ 415	0.00%					
30		\$ 1,024	0.00%					
31	\$ 571,091	\$ 20,035	3.51%	x	5,976,724	0.09555	x	
32	\$ 1,123,123	\$ 6,132	0.55%					
33	\$ 15,157	\$ 6	0.04%					
34	\$ 147,878	\$ 1,987	1.34%					
35	\$ 2,367,943	\$ 128,152	5.41%	x	23,943,529	0.09890	x	
36	\$ 166,161	\$ 14,899	8.97%	x	1,744,069	0.09527	x	
37	\$ 12,379,512	\$ 182,922	1.48%					
38	\$ 3	\$ 9,200	0.00%					
39	\$ 191,491	\$ 1,925	1.01%					
40	\$ 1,541,537	\$ 10,999	0.71%					
41	\$ 29,400	\$ 11,915	40.53%	x	397,265	0.07401	x	
42	\$ 7,344,460	\$ 270,826	3.69%	x	75,735,637	0.09697	x	
Respond Power	\$ 2,630,065	\$ 386,020	14.70%	x	21,330,459	0.12236	x	x
44		\$ 167	0.00%					
45	\$ 2,543,885	\$ 791	0.03%					
46	\$ 15,771		0.00%					
47	\$ 2,102,357	\$ 12,921	0.61%					
48	\$ 4,839,220	\$ 220,222	4.55%	x	62,966,618	0.07685	x	
49	\$ 1,386,580	\$ 48,027	3.46%	x	11,760,397	0.11790	x	x
50	\$ 90,343	\$ 171	0.19%					
51	\$ 153,004		0.00%					
52		\$ 505	0.00%					
53	\$ 233,469	\$ 642	0.28%					
54	\$ 827,231	\$ 19,131	2.31%					
55	\$ 16,449,206	\$ 66,087	0.40%					
56	\$ 1,065,105	\$ 3	0.00%					
57	\$ 1,330,126	\$ 38,371	2.88%					
58	\$ 6,083,221	\$ 3,314	0.05%					
59	\$ 1,269		0.00%					
60	\$ 61,926		0.00%					
61	\$ 1,387,085	\$ 26,164	1.89%					
62	\$ 40,179		0.00%					
63	\$ 82,996		0.00%					
64	\$ 462,648	\$ 371	0.08%					
65	\$ 193,001	\$ 586	0.30%					
66	\$ 1,283		0.00%					
67	\$ 63,922		0.00%					
68	\$ 254,054		0.00%					
69	\$ 87,525		0.00%					
Total	\$ 244,375,708	\$ 3,750,205	1.53%					

DSP IV  
 POR Clawback Charge Report  
 For the Twelve Months Ended August 2016  
 West Penn

EGS	Total Revenues	EGS Write-Offs	EGS Write-Offs as a % of Revenue	1st Prong		2nd Prong			
				200% of Average Writeoffs = 1.88%	Total kWh	Average \$/kWh	OpCo Average PTC 0.07207	150% OpCo Average PTC = .10810	Subject to Clawback Charge
1	\$ 58,009,714	\$ 205,062	0.35%		-				
2	\$ 6,225,523	\$ 168,905	2.71%	x	92,536,540	0.06728			
3	\$ 4,631,100		0.00%		-				
4	\$ 358,366		0.00%		-				
5	\$ 27,353,492	\$ 24,907	0.09%		-				
6	\$ 5,994,070		0.00%		-				
7	\$ 506,585	\$ 2,290	0.45%		-				
8	\$ 13,513,341	\$ 186,888	1.38%		-				
9	\$ 4,797,175		0.00%		-				
10	\$ 739,395	\$ 1,098	0.15%		-				
11	\$ 738,183		0.00%		-				
12	\$ 144,403		0.00%		-				
13	\$ 8,159,634		0.00%		-				
14	\$ 11,211,759	\$ 4,573	0.04%		-				
15	\$ 9,282,695	\$ 238,808	2.57%	x	143,448,766	0.06471			
16	\$ 936,046	\$ 37,648	4.02%	x	10,418,368	0.08985	x		
17	\$ 3,506,922		0.00%		-				
18	\$ 5,892,327	\$ 123,854	2.10%	x	72,708,214	0.08104	x		
19	\$ 7,193,361	\$ 132	0.00%		-				
20	\$ 8,858,769	\$ 158,661	1.79%		-				
21	\$ 30,192		0.00%		-				
22	\$ 9,809,433	\$ 433,341	4.42%	x	112,293,703	0.08736	x		
23	\$ 4,895,522	\$ 74,289	1.52%		-				
24	\$ 547,823	\$ 19,913	3.63%	x	5,497,531	0.09965	x		
25	\$ 2,974,010	\$ 36,363	1.22%		-				
26	\$ 868,174	\$ 35,274	4.06%	x	5,987,876	0.14499	x	x	x
27	\$ 2,930,955	\$ 27,666	0.94%		-				
28	\$ 55,848	\$ 9	0.02%		-				
29	\$ 3,635,938		0.00%		-				
30	\$ 323,437	\$ 5,360	1.66%		-				
31	\$ 3,398,104	\$ 25,963	0.76%		-				
32	\$ 252,937	\$ 3,687	1.46%		-				
33	\$ 10,904,844	\$ 69,208	0.63%		-				
34	\$ (238)	\$ 5,095	0.00%		-				
35	\$ 1,022,310	\$ 12,419	1.21%		-				
36	\$ 3,155,173	\$ 10,879	0.34%		-				
37	\$ 69,035	\$ 2,085	3.02%	x	959,099	0.07198			
Respond Power	\$ 1,426,341	\$ 205,722	14.42%	x	11,549,345	0.12350	x	x	x
39	\$ 213,629	\$ 68	0.03%		-				
40	\$ 5,592,158	\$ 1,877	0.03%		-				
41	\$ 1,901		0.00%		-				
42	\$ 2,949,408	\$ 595	0.02%		-				
43	\$ 5,821,116	\$ 272,422	4.68%	x	76,456,954	0.07614	x		
44	\$ 2,489,278	\$ 41,444	1.66%		-				
45	\$ 744,589	\$ 619	0.08%		-				
46	\$ 35,283		0.00%		-				
47	\$ 118,202		0.00%		-				
48	\$ 1,031,659	\$ 8,078	0.78%		-				
49	\$ 15,999,293	\$ 92,259	0.58%		-				
50	\$ 4,173,214		0.00%		-				
51	\$ 1,753,841	\$ 18,712	1.07%		-				
52		\$ 2,496	0.00%		-				
53	\$ 3,407,381		0.00%		-				
54	\$ 64,527		0.00%		-				
55	\$ 192,441		0.00%		-				
56	\$ 89,357		0.00%		-				
57	\$ 26,608		0.00%		-				
58	\$ 360,545	\$ 547	0.15%		-				
59	\$ 1,417,849	\$ 564	0.04%		-				
60	\$ 995,583		0.00%		-				
61	\$ 30,425		0.00%		-				
Total	\$ 271,860,983	\$ 2,559,780	0.94%						

DSP IV														
PDR Clawback Charge Report														
For the Twelve Months Ended August 2017														
Penelec														
EGS	BILL-READY		RATE-READY		Total Revenues	Total kWh	EGS Write-Offs	EGS Write-Offs as a % of Revenue	Average \$/kWh	OpCo Average PTC 0.06755	200% of Average Writeoffs = 2.54%	1st Prong 150% OpCo Average PTC = .10133	2nd Prong	Subject to Clawback Charge
	Total Revenues-Bill Ready	Total kWh- Bill Ready	Total Revenues- Rate Ready	Total kWh- Rate Ready										
1	\$ 207,772	3,651,002	\$ 23,352,047	366,262,445	\$ 23,559,819	369,913,447	\$ 120,847.90	0.51%	0.06369					
2	\$ 2,312,802	27,625,372	\$ 1,442,994	22,967,284	\$ 3,755,796	50,592,656	\$ 259,359.18	6.91%	0.07424	x		x		
3	\$ 10,424,721	172,929,779	\$ 36	504	\$ 10,424,758	172,930,283	\$ 3,912.36	0.04%	0.06028					
4	\$ 23,739,072	335,212,869	\$ 19,782	252,320	\$ 23,758,854	335,465,189	\$ 6,964.46	0.03%	0.07082	x				
5	\$ 509,416	7,640,828			\$ 509,416	7,640,828	\$ 9.28	0.00%	0.06667					
6	\$ 24,046,125	365,000,146			\$ 24,046,125	365,000,146	\$ 29,843.44	0.12%	0.06588					
7	\$ 18,171,855	257,128,638			\$ 18,171,855	257,128,638	\$ 1,819.51	0.01%	0.07067	x				
8	\$ 3,409,140	50,128,611			\$ 3,409,140	50,128,611	\$ 8,058.78	0.24%	0.06801	x				
9	\$ 1,634,043	22,813,198	\$ 142,243	2,560,393	\$ 1,776,286	25,373,591	\$ 24,443.88	1.38%	0.07001	x				
10	\$ 612,855	8,510,764			\$ 612,855	8,510,764		0.00%	0.07201	x				
11	\$ 163,384	2,322,077			\$ 163,384	2,322,077		0.00%	0.07036	x				
12	\$ 4,739,867	57,691,317	\$ 163	1,858	\$ 4,740,029	57,693,175	\$ 10,551.91	0.22%	0.08216	x				
13	\$ 257,005	2,686,259			\$ 257,005	2,686,259	\$ 34,070.13	13.26%	0.09567	x		x		
14	\$ 3,741,409	57,741,043	\$ 2,348,918	30,788,751	\$ 6,090,327	88,529,794	\$ 190,889.38	3.13%	0.06879	x		x		
15	\$ 7,133,711	96,586,522			\$ 7,133,711	96,586,522	\$ 2,594.32	0.04%	0.07386	x				
16	\$ 8,705,757	139,183,359	\$ 1,172,495	21,420,159	\$ 9,878,252	160,603,518	\$ 116,170.01	1.18%	0.06151					
17			\$ 46,378	772,705	\$ 46,378	772,705	\$ 271.40	0.59%	0.06002					
18	\$ 2,170,310	24,654,991	\$ 1,179	20,889	\$ 2,171,489	24,675,880	\$ 218,631.09	10.07%	0.08800	x		x		
19	\$ 635,613	19,263,488			\$ 635,613	19,263,488	\$ 3,290.34	0.52%	0.03300					
20	\$ 5,717,994	86,873,657			\$ 5,717,994	86,873,657		0.00%	0.06582					
21	\$ 2,048,543	23,039,396	\$ 1,601,592	28,434,654	\$ 3,650,135	51,474,050	\$ 231,799.34	6.35%	0.07091	x		x		
22	\$ 11,012,314	176,990,660	\$ 216,134	3,301,395	\$ 11,228,448	180,292,055	\$ 10,770.15	0.10%	0.06228					
23			\$ 257,081	3,025,387	\$ 257,081	3,025,387	\$ 7,436.63	2.89%	0.08497	x		x		
24	\$ 5,278,719	74,424,174	\$ 3,410,883	54,527,236	\$ 8,689,602	128,951,410	\$ 313,628.78	3.61%	0.06739			x		
25	\$ 34,982	545,389			\$ 34,982	545,389	\$ 993.73	2.84%	0.06414			x		
26	\$ 5,594,441	57,745,531			\$ 5,594,441	57,745,531	\$ 249,865.87	4.47%	0.09688	x		x		
27	\$ 846,440	10,819,892			\$ 846,440	10,819,892	\$ 15,101.64	1.78%	0.07823	x				
28	\$ 1,372,291	18,486,618	\$ 356,694	5,462,427	\$ 1,728,985	23,949,045	\$ 19,122.48	1.11%	0.07219	x				
29	\$ 1,365	18,646	\$ 331,059	5,457,232	\$ 332,425	5,475,878	\$ 2,275.65	0.68%	0.06071					
30	\$ 4,322,310	61,318,328			\$ 4,322,310	61,318,328	\$ 8,080.08	0.19%	0.07049	x				
31	\$ 2,031,137	20,390,989			\$ 2,031,137	20,390,989	\$ 77,669.44	3.82%	0.09961	x		x		
32	\$ 194,795	2,118,629			\$ 194,795	2,118,629	\$ 6,963.97	3.58%	0.09194	x		x		
33	\$ 2,153,081	23,205,548	\$ 437,279	6,904,073	\$ 2,590,360	30,109,621	\$ 74,769.94	2.89%	0.08603	x		x		
34	\$ 103,866	1,270,691			\$ 103,866	1,270,691	\$ 7,201.13	6.93%	0.08174	x		x		
35			\$ 10,523,255	145,919,042	\$ 10,523,255	145,919,042	\$ 156,814.18	1.49%	0.07112	x				
36	\$ 310,177	4,308,425			\$ 310,177	4,308,425	\$ 5,270.87	1.70%	0.07199	x				
37	\$ 513,738	8,146,138	\$ 2,243,356	36,116,195	\$ 2,757,094	44,262,333	\$ 155,786.51	5.65%	0.06229			x		
38	\$ 17,696	216,013			\$ 17,696	216,013	\$ 9,519.30	53.79%	0.08192	x		x		
39	\$ 7,051,233	83,436,509	\$ 19	218	\$ 7,051,252	83,436,727	\$ 162,183.28	2.30%	0.08451	x				
Respond Power			\$ 2,259,091	20,526,895	\$ 2,259,091	20,526,895	\$ 200,814.28	8.87%	0.11006	x		x		
41	\$ 2,522,086	28,873,827			\$ 2,522,086	28,873,827	\$ 19,812.03	0.79%	0.08735	x				
42	\$ 59,124	839,647			\$ 59,124	839,647	\$ 266.16	0.45%	0.07042	x				
43	\$ 2,492,792	26,813,707	\$ 62,498	1,043,399	\$ 2,555,250	37,857,106	\$ 4,480.79	0.18%	0.06750					
44	\$ 5,269,542	76,695,072	\$ 332,967	5,761,295	\$ 5,602,509	82,456,367	\$ 106,587.09	1.90%	0.06795	x				
45	\$ 949,032	8,610,451			\$ 949,032	8,610,451	\$ 45,323.56	4.78%	0.11022	x		x		
46	\$ 110,634	1,516,654			\$ 110,634	1,516,654	\$ 835.29	0.76%	0.07295	x				
47	\$ 304,035	4,207,766			\$ 304,035	4,207,766		0.00%	0.07226	x				
48	\$ 196,432	2,518,817			\$ 196,432	2,518,817	\$ 217.35	0.11%	0.07799	x				
49	\$ 518,280	5,408,172	\$ 164,337	2,680,506	\$ 682,617	8,088,678	\$ 35,515.44	5.20%	0.08439	x		x		
50	\$ 652,695	8,206,240	\$ 174,298	2,646,423	\$ 826,993	10,852,663	\$ 2,040.33	0.25%	0.07620	x				
51	\$ 16,368,355	142,006,586			\$ 16,368,355	142,006,586	\$ 102,458.67	0.63%	0.11526	x			x	
52			\$ 29	520	\$ 29	520		0.00%	0.05490					
53	\$ 484,745	7,597,631			\$ 484,745	7,597,631		0.00%	0.06380					
54	\$ 49,268	785,408			\$ 49,268	785,408		0.00%	0.06273					
55	\$ 1,580,971	17,615,733			\$ 1,580,971	17,615,733	\$ 73,440.81	4.65%	0.08975	x		x		
56	\$ 55,288	865,480			\$ 55,288	865,480		0.00%	0.06388					
57	\$ 522,916	8,491,730			\$ 522,916	8,491,730		0.00%	0.06158					
58			\$ 126,979	1,731,274	\$ 126,979	1,731,274		0.00%	0.07334	x				
59	\$ 695,727	7,308,925			\$ 695,727	7,308,925	\$ 18,403.94	2.65%	0.09519	x		x		
60	\$ 6,453	77,053	\$ 88,005	1,094,201	\$ 94,458	1,171,254	\$ 781.16	0.83%	0.08065	x				
61	\$ 1,238,540	18,870,123	\$ 132,682	2,393,587	\$ 1,371,223	21,263,710	\$ 372.44	0.03%	0.06449					
62	\$ 448,859	7,336,501			\$ 448,859	7,336,501		0.00%	0.06118					
63	\$ 1,131,812	17,617,437			\$ 1,131,812	17,617,437	\$ 10,281.96	0.91%	0.06424					
64	\$ 352,376	4,235,546			\$ 352,376	4,235,546	\$ 15,355.65	4.36%	0.08319	x		x		
65	\$ 186,052	2,539,801			\$ 186,052	2,539,801		0.00%	0.07325	x				
66	\$ 514,294	6,389,783			\$ 514,294	6,389,783	\$ 2,260.02	0.44%	0.08049	x				
67	\$ 1,007,344	15,851,319			\$ 1,007,344	15,851,319		0.00%	0.06355					
68			\$ 292,519	4,534,410	\$ 292,519	4,534,410		0.00%	0.06451					
69	\$ 112,478	1,516,531	\$ 2,073	41,266	\$ 114,551	1,557,797	\$ 7.16	0.01%	0.07353	x				
70	\$ 375	6,131			\$ 375	6,131		0.00%	0.06111					
71	\$ 515	4,658			\$ 515	4,658		0.00%	0.11062	x			x	
Total	\$ 199,050,998	2,736,932,225	\$ 51,539,025	776,648,543	\$ 250,590,023	3,513,580,768	\$ 3,185,834.47	1.27%	0.07132					

DSP IV													
POR Clawback Charge Report													
For the Twelve Months Ended August 2017													
West Penn Power													
EGS	BILL-READY		RATE-READY		Total Revenues	Total KWh	EGS Write-Offs	EGS Write-Offs as a % of Revenue	\$/kWh	OpCo Average PTC 0.07100	1st Prong 200% of Average Writeoffs = 2.17%	2nd Prong 150% OpCo Average PTC = .10650	Subject to Clawback Charge
	Total Revenues-Bill Ready	Total kWh- Bill Ready	Total Revenues- Rate Ready	Total kWh- Rate Ready									
1	\$ 196,892	4,617,976	\$ 40,953,630	660,212,372	\$ 41,150,522	664,830,348	\$ 107,193.58	0.26%	0.06190				
2	\$ 4,929,294	63,880,795	\$ 3,088,500	53,974,843	\$ 8,017,794	117,855,638	\$ 252,508.72	3.15%	0.06803	x			
3	\$ 2,911,543	50,269,701			\$ 2,911,543	50,269,701	\$ 1,045.54	0.04%	0.05792				
4	\$ 520,977	8,191,697			\$ 520,977	8,191,697	\$ 1,850.14	0.36%	0.06360				
5	\$ 31,114,678	493,559,003			\$ 31,114,678	493,559,003	\$ 82,291.78	0.26%	0.06304				
6	\$ 12,295,425	188,957,369			\$ 12,295,425	188,957,369	\$ 18,667.74	0.15%	0.06507				
7			\$ 986,888	14,615,089	\$ 986,888	14,615,089	\$ 1,174.40	0.12%	0.06753				
8	\$ 12,326,125	166,200,587	\$ 592	9,956	\$ 12,326,717	166,210,543	\$ 140,773.87	1.14%	0.07416	x			
9	\$ 1,133,879	15,274,740			\$ 1,133,879	15,274,740	\$ 5,255.62	0.46%	0.07423	x			
10	\$ 207,757	2,517,607			\$ 207,757	2,517,607		0.00%	0.08252	x			
11	\$ 12,061,178	204,481,648	\$ 1,607,888	28,990,490	\$ 13,669,066	233,472,138	\$ 17,249.92	0.13%	0.05855				
12	\$ 12,252,373	181,155,901			\$ 12,252,373	181,155,901	\$ 979.17	0.01%	0.06763				
13	\$ 9,166,190	142,599,152	\$ 1,591,736	28,922,162	\$ 10,757,925	171,521,314	\$ 274,676.22	2.55%	0.06272				
14	\$ 982,064	12,483,761	\$ 78,950	1,528,115	\$ 1,061,013	14,011,876	\$ 111,284.62	10.49%	0.05752	x	x		
15	\$ 3,517,594	51,642,983			\$ 3,517,594	51,642,983	\$ 46,714.79	1.33%	0.06811				
16	\$ 3,804,412	42,891,215	\$ 2,315,060	41,188,580	\$ 6,119,472	84,079,795	\$ 202,189.60	3.30%	0.07278	x	x		
17	\$ 14,776,503	246,555,041			\$ 14,776,503	246,555,041	\$ 260.49	0.00%	0.05993				
18			\$ 7,146	77,028	\$ 7,146	77,028		0.00%	0.09278	x			
19	\$ 7,374,909	93,305,845	\$ 2,434,611	43,028,158	\$ 9,809,521	136,334,003	\$ 326,197.54	3.33%	0.07195	x	x		
20	\$ 85,722	1,589,739			\$ 85,722	1,589,739	\$ 463.70	0.54%	0.05392				
21	\$ 7,693,486	79,952,442	\$ 153	3,470	\$ 7,693,639	79,955,912	\$ 262,513.49	3.41%	0.09622	x	x		
22	\$ 4,471,592	53,350,472	\$ 90	1,306	\$ 4,471,682	53,351,778	\$ 91,139.40	2.04%	0.08382	x			
23	\$ 439,192	5,151,972			\$ 439,192	5,151,972	\$ 5,215.30	1.24%	0.08137	x			
24	\$ 3,122,278	43,345,035	\$ 563,210	10,904,957	\$ 3,685,488	54,249,992	\$ 29,092.27	0.79%	0.06794				
25	\$ 373,272	3,482,588			\$ 373,272	3,482,588	\$ 27,014.42	7.24%	0.10718	x	x	x	x
26	\$ 3,427,448	38,034,025			\$ 3,427,448	38,034,025	\$ 126,975.47	3.70%	0.09012	x	x		
27	\$ 1,555,724	30,108,100	\$ 1,559,349	25,412,501	\$ 3,115,073	55,520,601		0.00%	0.05611				
28	\$ 320,574	3,336,434			\$ 320,574	3,336,434	\$ 12,487.60	3.90%	0.09608	x	x		
29	\$ 3,680,890	41,737,343	\$ 1,252,687	22,344,585	\$ 4,933,577	64,081,928	\$ 35,751.88	0.72%	0.07699	x			
30	\$ 216,972	2,463,925			\$ 216,972	2,463,925	\$ 880.72	0.41%	0.08806	x			
31			\$ 9,725,270	137,399,030	\$ 9,725,270	137,399,030	\$ 93,084.25	0.96%	0.07078				
32	\$ 1,600,669	19,972,090			\$ 1,600,669	19,972,090	\$ 19,547.63	1.22%	0.08015	x			
33	\$ 2,768,116	46,557,893	\$ 3,383,195	53,257,731	\$ 6,151,310	99,815,624	\$ 122,594.10	1.99%	0.06163				
34	\$ 49,244	614,607			\$ 49,244	614,607	\$ 2,125.98	4.32%	0.08012	x	x		
Respond Power			\$ 926,877	8,109,852	\$ 926,877	8,109,852	\$ 88,192.11	9.51%	0.11429	x	x	x	x
36	\$ 470,784	5,515,981			\$ 470,784	5,515,981	\$ 1,976.39	0.42%	0.08535	x			
37	\$ 5,219,265	63,677,084			\$ 5,219,265	63,677,084	\$ 26,281.45	0.50%	0.08196	x			
38	\$ 16,266	199,098			\$ 16,266	199,098	\$ 279.40	1.72%	0.08170	x			
39	\$ 1,311,060	20,215,195			\$ 1,311,060	20,215,195	\$ 466.36	0.04%	0.06486				
40	\$ 6,058,843	87,616,635	\$ 406,518	6,814,983	\$ 6,465,362	94,431,618	\$ 149,500.65	2.31%	0.06847		x		
41	\$ 1,619,741	16,112,542			\$ 1,619,741	16,112,542	\$ 52,181.02	3.22%	0.10053	x	x		
42	\$ 692,093	10,529,006			\$ 692,093	10,529,006	\$ 4,147.38	0.60%	0.06573				
43			\$ 29,706	250,726	\$ 29,706	250,726		0.00%	0.11848			x	
44	\$ 93,649	1,297,121			\$ 93,649	1,297,121		0.00%	0.07220	x			
45	\$ 673,743	7,227,085	\$ 163,562	2,646,862	\$ 837,304	9,873,947	\$ 37,148.48	4.44%	0.08480	x	x		
46	\$ 773,714	11,256,459	\$ 459	6,430	\$ 774,173	11,262,889	\$ 160.82	0.02%	0.06874				
47	\$ 18,181,478	160,726,509			\$ 18,181,478	160,726,509	\$ 86,664.38	0.48%	0.11312	x		x	
48	\$ 2,174,672	36,568,791			\$ 2,174,672	36,568,791		0.00%	0.05947				
49	\$ 25,523	340,393			\$ 25,523	340,393		0.00%	0.07498	x			
50	\$ 1,801,774	20,281,027			\$ 1,801,774	20,281,027	\$ 105,137.38	5.84%	0.08884	x	x		
51	\$ 7,649	129,482	\$ 527,014	9,868,400	\$ 534,663	9,997,882	\$ 2,255.06	0.42%	0.05348				
52	\$ 16,581	218,232			\$ 16,581	218,232		0.00%	0.07598	x			
53	\$ 186,886	3,059,087			\$ 186,886	3,059,087		0.00%	0.06109				
54	\$ 26	311			\$ 26	311		0.00%	0.08302				
55	\$ 120,894	1,451,489	\$ 357,808	4,635,232	\$ 478,702	6,086,721	\$ 6,646.98	1.39%	0.07865	x			
56	\$ 1,163,907	19,521,313	\$ 211,500	3,944,918	\$ 1,375,407	23,466,231	\$ 263.40	0.02%	0.05861				
57	\$ 930,940	5,720,207			\$ 930,940	5,720,207	\$ 0.45	0.00%	0.05785				
58	\$ 158,175	2,376,007			\$ 158,175	2,376,007		0.00%	0.06657				
59			\$ 19,297	300,337	\$ 19,297	300,337		0.00%	0.06425				
60	\$ 393,386	4,948,145			\$ 393,386	4,948,145	\$ 9,285.11	2.36%	0.07950	x	x		
61	\$ 156,579	2,276,348			\$ 156,579	2,276,348		0.00%	0.06879				
62	\$ 2,172,676	26,803,139			\$ 2,172,676	26,803,139	\$ 19,640.07	0.90%	0.08106	x			
63	\$ 1,195,379	18,821,810			\$ 1,195,379	18,821,810		0.00%	0.06351				
64			\$ 104,158	1,353,967	\$ 104,158	1,353,967		0.00%	0.07693	x			
65	\$ 145,898	1,972,971	\$ 4,305	64,321	\$ 150,203	2,037,292		0.00%	0.07373	x			
66	\$ 2,935	43,166			\$ 2,935	43,166		0.00%	0.06800				
67	\$ 1,471	15,466			\$ 1,471	15,466		0.00%	0.09510	x			
Total	\$ 204,522,958	2,867,201,785	\$ 72,300,157	1,159,866,401	\$ 276,823,115	4,027,068,186	\$ 3,009,426.84	1.09%	0.06874				

**Penelec/West Penn Exhibit KLB-3**

**Response of Respond Power LLC to the  
Interrogatories of Pennsylvania Electric Company and  
West Penn Power Company, Set I in  
Docket No. C-2016-2576287 and C-2016-2576292**

**Request: Respond-I-11** Please set forth the factual basis, including any supporting calculations and workpapers, for the allegation in Paragraph 66 of the Penelec Complaint that “Penelec has made computational errors and imposed charges that violate the Supplier Tariff.”

**Response:**

Having now received and reviewed all of the supporting calculations and workpapers provided by Penelec, Respond Power has not identified any basis for this allegation.

Response provided by: Adam Small, General Counsel, Respond Power LLC

Date: November 13, 2017

**Response of Respond Power LLC to the  
Interrogatories of Pennsylvania Electric Company and  
West Penn Power Company, Set I in  
Docket No. C-2016-2576287 and C-2016-2576292**

**Request: Respond-I-12** Please set forth the factual basis, including any supporting calculations and workpapers, for the allegation in Paragraph 66 of the West Penn Complaint that “West Penn has made computational errors and imposed charges that violate the Supplier Tariff.”

**Response:**

Having now received and reviewed all of the supporting calculations and workpapers provided by West Penn, Respond Power has not identified any basis for this allegation.

Response provided by: Adam Small, General Counsel, Respond Power LLC  
Date: November 13, 2017

**Penelec/West Penn Exhibit KLB-4**

**Response of Respond Power LLC to the  
Interrogatories of Pennsylvania Electric Company and  
West Penn Power Company, Set I in  
Docket No. C-2016-2576287 and C-2016-2576292**

**Request: Respond-I-25**      Reference Respond Power St. 1, Page 19, Lines 8-12. Please identify each customer listed in the "Customer Number" column of CONFIDENTIAL Attachment A to PN/WPP Response to Respond Power LLC Interrogatory, Set I, No. 2 for which Respond Power has offered a new contract with a "more affordable" price and the effective date of the new rate.

**Response:**

Respond Power offers a fixed price to all customers; however, the customer must contact Respond Power to enroll in such a contract.

Response provided by: Adam Small, General Counsel, Respond Power LLC  
Date: November 13, 2017

## **Penelec/West Penn Exhibit KLB-6**

# Attachment C

## Respond-I-7

RESPOND POWER



www.respondpower.com

SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [grid]

Agent Code: [grid]

Residential Commercial Service Type: Electricity Gas Both

Best Time to Call: \_\_\_\_\_

Electric Account Number: [grid]

Gas Account Number: [grid]

First Name: [grid]

Last Name: [grid]

Business Name (Commercial): [grid]

Title: [grid]

Customer Address: [grid]

City: [grid]

State: [grid]

Zip: [grid]

Telephone: [grid]

Work Phone: [grid]

E-mail: [grid]

Language: [grid]

RESPOND POWER — ELECTRIC:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh fixed rate.

The fixed rate term for this agreement is:

6 months 12 months

MAJOR ENERGY — GAS:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for gas is \_\_\_\_\_ per Therm fixed rate.

The fixed rate term for this agreement is:

6 months 12 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received a copy of the Terms and Conditions.

Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

TPV Confirmation #:

[grid]



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163698.

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118838.

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Major Energy for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months. Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (McF, Ccf or Therms). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric utility's transmission system (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Respond Power for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months. Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for the above street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereinafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you will receive written notification from us in each of your last three bills for

supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** If at some future date there is a change in any law, rule, regulation or pricing structure whereby Major is prevented, prohibited or frustrated from carrying out the terms of the Agreement, at its sole discretion Major shall have the right to cancel this Agreement on 15 days' notice to Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company, ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period. The Utility may request a security deposit for amounts which include Supplier charges.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-8-RESPND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Phone: 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
Phone: 1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
Phone: 1-800-545-7741

Gas Distribution Company (GDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone: 1-888-460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-809-4844

National Fuel Gas Distribution  
6383 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND  POWER



 **majorenergy**  
let me work for you.

www.respondpower.com

**SALES AGREEMENT**

www.majorenergy.com

**RESPOND POWER, LLC**  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-877-973-7763 • fax: (347) 274-0890

**MAJOR ENERGY SERVICES, LLC**  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-888-625-6760 • fax: (347) 274-0890

Agent Name:

Agent Code:

Residential  Commercial Service Type:  Electricity  Gas  Both

Best Time to Call: \_\_\_\_\_

Electric Account Number:

Gas Account Number:

First Name:

Last Name:

Business Name (Commercial):

Title:

Customer Address:

City:

State:

Zip:

Telephone:  -  -

Work Phone:  -  -

E-mail:

Language:

**RESPOND POWER — ELECTRIC:**

The initial term of this agreement is:

VARIABLE  FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh fixed rate.

The fixed rate term for this agreement is:

6 months  12 months

**MAJOR ENERGY — GAS:**

The initial term of this agreement is:

VARIABLE  FIXED RATE

The price for gas is \_\_\_\_\_ per Therm fixed rate.

The fixed rate term for this agreement is:

6 months  12 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
- 2) My local Electric utility company is:  PECO Energy  Duquesne Light  PPL Electric Utilities  Met-Ed  Penelec  
My local Gas utility company is:  PECO Energy  Columbia Gas of Pennsylvania  UGI Gas  National Fuel Gas of Pennsylvania
- 3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
- 4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
- 5) I will continue to receive one bill from my local utility company.
- 6) I have received a copy of the Terms and Conditions.

Print Name: \_\_\_\_\_

Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

TPV Confirmation #:

PROUD CORPORATE SPONSOR:



FOUNDATION FOR CHILDHOOD CANCER

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163698

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2008-2118838

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** – You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** – The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** – The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** – The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** – Charge for production of electricity.

**Transmission Charge** – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas cost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Major Energy for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months. Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mcf, Ccf or therms). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Respond Power for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months. Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for the above street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you will receive written notification from us in each of your last three bills for

supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy of Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** If at some future date there is a change in any law, rule, regulation or pricing structure whereby Major is prevented, prohibited or frustrated from carrying out the terms of the Agreement, at its sole discretion Major shall have the right to cancel this Agreement on 15 days' notice to Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-480-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period. The Utility may request a security deposit for amounts which include Supplier charges.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-873-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6780)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
P.O. Box 8899  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Phone: 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
Phone: 1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44308  
Phone: 1-800-545-7741

Gas Distribution Company (GDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone: 1-888-460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-609-4844

National Fuel Gas Distribution  
5363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND POWER



www.respondpower.com

SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY, 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [grid]

Agent Code: [grid]

Residential Commercial

Service Type: Electricity Gas Both

Best Time to Call: [line]

Electric Account or Customer Number: [grid]

Gas Account Number: [grid]

First Name: [grid]

Last Name: [grid]

Business Name (Commercial): [grid]

Title: [grid]

Customer Address: [grid]

City: [grid]

State: [grid]

Zip: [grid]

Telephone: [grid]

Work Phone: [grid]

E-mail: [grid]

Language: [grid]

RESPOND POWER — ELECTRIC:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh fixed rate.

The fixed rate term for this agreement is:

6 months 12 months

MAJOR ENERGY — GAS:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for gas is \_\_\_\_\_ per Therm fixed rate.

The fixed rate term for this agreement is:

6 months 12 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received a copy of the Terms and Conditions.

Print Name: \_\_\_\_\_

Relationship to Account Holder: \_\_\_\_\_

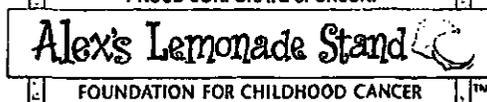
Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

TPV Confirmation #:

[grid]

PROUD CORPORATE SPONSOR:



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163898

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118638

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

Right of Rescission — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Major Energy for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months. Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mc, Ccf or therms). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, Installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Respond Power for our current Variable Rate.

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**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for the above street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

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supply charges or 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 three advance notifications.

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**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbances, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

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**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period. The Utility may request a security deposit for amounts which include Supplier charges.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Phone: 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
Phone: 1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
Phone: 1-800-545-7741

Gas Distribution Company (GDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone: 1-888- 460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-609-4844

National Fuel Gas Distribution  
6363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND  POWER



www.respondpower.com

SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-888-625-6760 • fax: (347) 274-0890

Agent Name:

Agent Code:

Residential  Commercial

Service Type:  Electricity  Gas  Both

Best Time to Call: \_\_\_\_\_

Electric Account or Customer Number:

Gas Account Number:

First Name:

Last Name:

Business Name (Commercial):

Title:

Customer Address:

City:

State:

Zip:

Telephone:  -  -

Work Phone:  -  -

E-mail:

Language:

RESPOND POWER — ELECTRIC:

The initial term of this agreement is:

VARIABLE  FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh fixed rate.

The fixed rate term for this agreement is:

6 months  12 months

MAJOR ENERGY — GAS:

The initial term of this agreement is:

VARIABLE  FIXED RATE

The price for gas is \_\_\_\_\_ per Therm fixed rate.

The fixed rate term for this agreement is:

6 months  12 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
- 2) My local Electric utility company is:  PECO Energy  Duquesne Light  PPL Electric Utilities  Met-Ed  Penelec  WPP  
My local Gas utility company is:  PECO Energy  Columbia Gas of Pennsylvania  UGI Gas  National Fuel Gas of Pennsylvania
- 3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
- 4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
- 5) I will continue to receive one bill from my local utility company.
- 6) I have received a copy of the Terms and Conditions.

Print Name: \_\_\_\_\_

Relationship to Account Holder: \_\_\_\_\_

Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

TPV Confirmation #:

PROUD CORPORATE SPONSOR:



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163898

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118838

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Major Energy for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Met, Col or Thermo). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable. You may contact Respond Power for our current Variable Rate.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate includes estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for the above street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price Deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you will receive written notification from us in each of your last three bills for supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Verus for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** If at some future date there is a change in any law, rule, regulation or pricing structure whereby Major is prevented, prohibited or frustrated from carrying out the terms of the Agreement, at its sole discretion Major shall have the right to cancel this Agreement on 15 days' notice to Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company, ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel: PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed/WPP 1-888-544-4877, Duquesne Light 1-888-383-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period. The Utility may request a security deposit for amounts which include Supplier charges.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Phone: 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
Phone: 1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3587  
Akron, OH 44309  
Phone: 1-800-545-7741

West Penn Power  
P.O. Box 3816  
Akron, Ohio 44309  
1-800-686-0021

Gas Distribution Company (GDC) and  
Provider of Last Resort  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
Phone: 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone: 1-888-460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-609-4844

National Fuel Gas Distribution  
6363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND POWER



www.respondpower.com

SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [grid]

Agent Code: [grid]

Residential Commercial

Service Type: Electricity Gas Both

Best Time to Call: [grid]

Electric Account or Customer Number: [grid]

Gas Account Number: [grid]

First Name: [grid] Last Name: [grid]

Business Name (Commercial): [grid]

Title: [grid]

Customer Address: [grid]

City: [grid]

State: [grid]

Zip: [grid]

Telephone: [grid]

Work Phone: [grid]

E-mail: [grid]

Language: [grid]

RESPOND POWER — ELECTRIC:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh fixed rate.

The fixed rate term for this agreement is:

6 months 12 months

MAJOR ENERGY — GAS:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for gas is \_\_\_\_\_ per Therm fixed rate.

The fixed rate term for this agreement is:

6 months 12 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec WPP PP
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received a copy of the Terms and Conditions.

Print Name: \_\_\_\_\_

Relationship to Account Holder: \_\_\_\_\_

Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

TPV Confirmation #:

[grid]

PROUD CORPORATE SPONSOR:



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163898

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118836

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Met, Ccf or therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 18 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you may receive written notification from us in each of your last three bills for supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the

PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Law.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company, ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
1-800-545-7741

West Penn Power  
P.O. Box 3615  
Akron, Ohio 44309  
1-800-686-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and Provider  
of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19805  
Phone: 1-800-609-4844

National Fuel Gas Distribution  
6363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND POWER



www.respondpower.com

SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [grid]

Agent Code: [grid]

Residential Commercial Service Type: Electricity Gas Both Best Time to Call:

Electric Account or Customer Number: [grid]

Gas Account Number: [grid]

First Name: [grid] Last Name: [grid]

Business Name (Commercial): [grid] Title: [grid]

Customer Address: [grid]

City: [grid] State: [grid] Zip: [grid]

Telephone: [grid] - [grid] - [grid] Work Phone: [grid] - [grid] - [grid]

E-mail: [grid]

Language: [grid]

RESPOND POWER — ELECTRIC:
The initial term of this agreement is:
VARIABLE FIXED RATE
The price for electricity is \_\_\_\_\_ per kwh fixed rate.
The fixed rate term for this agreement is:
6 months 12 months 24 months

MAJOR ENERGY — GAS:
The initial term of this agreement is:
VARIABLE FIXED RATE
The price for gas is \_\_\_\_\_ per Therm fixed rate.
The fixed rate term for this agreement is:
6 months 12 months 24 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec WPP PP
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received a copy of the Terms and Conditions.
7) I understand that choosing a supplier may affect government assistance programs.

Print Name: \_\_\_\_\_ Relationship to Account Holder: \_\_\_\_\_

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

TPV Confirmation #: [grid]



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163898

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118836

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-873-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mcd, Ccf or therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you may receive written notification from us in each of your last three bills for supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the

PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Law.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-608-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed 1-888-544-4677, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-8-RESPND (1-877-873-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-80 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
1-800-545-7741

West Penn Power  
P.O. Box 3815  
Akron, Ohio 44309  
1-800-886-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and Provider  
of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
601 Technology Drive  
Canonsburg, PA 15317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-608-4844

National Fuel Gas Distribution  
8363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3266  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-892-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND POWER



www.respondpower.com

SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [grid]

Agent Code: [grid]

Residential Commercial Service Type: Electricity Gas Both Best Time to Call:

Electric Account or Customer Number: [grid]

Gas Account Number: [grid]

First Name: [grid] Last Name: [grid]

Business Name (Commercial): [grid] Title: [grid]

Customer Address: [grid]

City: [grid] State: [grid] Zip: [grid]

Telephone: [grid] - [grid] - [grid] Work Phone: [grid] - [grid] - [grid]

E-mail: [grid]

Language: [grid]

RESPOND POWER — ELECTRIC:

The initial term of this agreement is:
VARIABLE FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh fixed rate.

The fixed rate term for this agreement is:
6 months 12 months 24 months

MAJOR ENERGY — GAS:

The initial term of this agreement is:
VARIABLE FIXED RATE

The price for gas is \_\_\_\_\_ per Therm fixed rate.

The fixed rate term for this agreement is:
6 months 12 months 24 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec WPP PP
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received a copy of the Terms and Conditions.
7) I understand that choosing a supplier may affect government assistance programs.

Print Name: \_\_\_\_\_

Relationship to Account Holder: \_\_\_\_\_

Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

TPV Confirmation #: [grid]



You, the Buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction.

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163898

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118836

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** – You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** – The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** – The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** – The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** – Charge for production of electricity.

**Transmission Charge** – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had your purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mcf, Ccf or therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, Installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had your purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Rate deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed price service, unless otherwise agreed in writing, if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed price for usage up to the Base Load. If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. If there is a material adverse change in the business or financial condition of Customer (as determined by Major at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change In Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of

agreement, you may receive written notification from us in each of your last three bills for supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
1-800-342-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
1-800-545-7741

West Penn Power  
P.O. Box 3615  
Akron, Ohio 44309  
1-800-686-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-609-4844

National Fuel Gas Distribution  
6363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-385-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES OF PenderWest Penn Exhibit KLB-6  
DISCLOSURE STATEMENT**

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-218388

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2008-2118536

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7783; Major Energy for Gas at 1-888-825-8780; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (MCI, Cof or Therma). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (NWE). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereinafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Rate deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement, if customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed price service, unless otherwise agreed in writing, if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed price for usage up to the Base Load. If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for holding, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. If there is a material adverse change in the business or financial condition of Customer (as determined by Major at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you may receive written notification from us in each of your last three bills or supply charges or 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 three advance notifications.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, reverses, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in services. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Law.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-941-4141, Columbia Gas of PA 1-800-480-4332, UGI Utilities 1-800-605-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Met-Ed 1-888-644-4877, Duquesne Light 1-888-585-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC 100 Dutch Hill Rd., Suite 230 Orangeburg NY 10962 1-877-9-RESPOND (1-877-973-7783) www.respondpower.com	Penn Power P.O. Box 3687 Akron, OH 44309 1-800-720-3600
Major Energy, LLC 100 Dutch Hill Rd., Suite 230 Orangeburg NY 10962 1-888-MAJOR60 (1-888-825-8780) www.majorenergy.com	Gas Distribution Company (GDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street Philadelphia, PA 19101 PECO Energy 1-800-494-4000
Electric Distribution Company (EDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street P.O. Box 8699 Philadelphia, PA 19101 PECO Energy 1-800-494-4000	Columbia Gas of Pennsylvania 501 Technology Drive Canonburg, PA 15317 Phone Number: (888) 460-4332
Duquesne Light 411 Seventh Avenue (6-1) Pittsburgh, PA 15219 Duquesne Light 1-412-293-7100	UGI Gas 2525 North 12th Street Suite 380 Reading, PA 19605 Phone: 1-800-609-4844
PPL Electric Utilities 827 Hausman Road Allentown, PA 18104 1-800-342-5775	National Fuel Gas Distribution 6363 Main Street Williamsville, NY 14221 Phone: 1-800-365-3234
Met-Ed/Penelec P.O. Box 3687 Akron, OH 44309 1-800-545-7741	Public Utility Commission (PUC) P.O. Box 3265 Harrisburg, PA 17105-3265 Electric Competition Hotline Number: 1-800-692-7380
West Penn Power P.O. Box 3615 Akron, Ohio 44309 1-800-886-0621	Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES OF Penelec/West Penn Exhibit KLB-6**  
**DISCLOSURE STATEMENT**

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163888

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118838

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gates to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices, Itemize Basic Services you are billing for and their prices.**

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had your purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (McL, Ccl or Therma). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had your purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (EDC). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereinafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Rate deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then Respond Power will assess a penalty of 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement and/or Major Energy will assess a penalty of 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement. This Fee will be due 30 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed price service, unless otherwise agreed in writing, if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed price for usage up to the Base Load. If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. If there is a material adverse change in the business or financial condition of Customer (as determined by Major at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

**5. Agreement Expiration/Change in Terms.** If you have a fixed term contract with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of contract, you will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain your options going forward.

**6. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company, ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-44-3130, PPL 1-800-342-5775, Panalac/Met-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing any email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC 100 Dutch Hill Rd., Suite 230 Orangetown NY 10962 1-877-9-RESPND (1-877-973-7763) www.respondpower.com	Penn Power P.O. Box 3687 Akron, OH 44309 1-800-720-3600
Major Energy, LLC 100 Dutch Hill Rd., Suite 230 Orangetown NY 10962 1-888-MAJOR-60 (1-888-625-6760) www.majorenergy.com	Gas Distribution Company (GDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street Philadelphia, PA 19101 PECO Energy 1-800-494-4000
Electric Distribution Company (EDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street P.O. Box 8699 Philadelphia, PA 19101 PECO Energy 1-800-494-4000	Columbia Gas of Pennsylvania 501 Technology Drive Canonsburg, PA 15317 Phone Number: (888) 460-4332
Duquesne Light 411 Seventh Avenue (6-1) Pittsburgh, PA 15219 Duquesne Light 1-412-393-7100	UGI Gas 2525 North 12th Street Suite 360 Reading, PA 19605 Phone: 1-800-609-4844
PPL Electric Utilities 827 Nausman Road Allentown, PA 18104 1-800-342-6775	National Fuel Gas Distribution 8383 Main Street Williamsville, NY 14221 Phone: 1-800-365-3234
Met-Ed/Panalac P.O. Box 3687 Akron, OH 44309 1-800-545-7741	Public Utility Commission (PUC) P.O. Box 3265 Harrisburg, PA 17105-9285 Electric Competition Hotline Number: 1-800-692-7380
West Penn Power P.O. Box 3615 Akron, Ohio 44308 1-800-685-0021	<i>Universal Service Program. Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.</i>



**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2183988

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2188386

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7753; Major Energy for Gas at 1-888-825-8760; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

1. **Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy may not always guarantee that every month you will see savings. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mcf, Ccf or therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

2. **Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereinafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price Deal). If this Agreement has no fixed rate or the fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

3. **Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$900 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Major Energy in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed price service, unless otherwise agreed in writing, . . . If usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed price for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption ("True-up"). The True up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-6 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Respond or Major at its discretion) or if Customer fails to meet its obligations under this Agreement to pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

4. **Cancellation Provisions.** If Customer opts out this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

5. **Agreement Expiration/Change In Terms.** If you have a fixed term contract with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of contract, you will receive two separate written notifications that precede either the expiration date

or the effective date of the proposed changes. These notifications will explain your options going forward.

6. **Dispute Procedures.** In the event of a billing dispute or a disagreement involving Affiliates' service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Affiliates by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS YOU SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS YOU MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

7. **Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

8. **Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

9. **Title.** Customer and Respond Power and/or Major Energy agree that title, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

10. **Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaim all other warranties, express or implied, including merchantability and fitness for a particular use.

11. **Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

12. **Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

13. **Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

14. **Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

15. **Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel: PECO Energy 1-800-841-1414, Columbia Gas of PA 1-800-480-4332, UGI Utilities 1-800-808-6844, National Fuel Gas of PA 1-800-444-3100, PPL 1-800-342-5776, Penelec/Met-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

16. **Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

17. **Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

18. **Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-825-8760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8899  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
1-800-342-6776

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
1-800-645-7741

West Penn Power  
P.O. Box 3616  
Akron, Ohio 44309  
1-800-888-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
601 Technology Drive  
Canonsburg, PA 16317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 380  
Reading, PA 19605  
Phone: 1-800-608-4844

National Fuel Gas Distribution  
5383 Main Street  
Williamsville, NY 14221  
Phone: 1-800-385-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-892-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND POWER



www.respondpower.com

DOOR TO DOOR SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [ ] Agent Code: [ ]

Residential Commercial Service Type: Electricity Gas Both Best Time to Call: [ ]

Electric Account or Customer Number: [ ]

Gas Account Number: [ ]

First Name: [ ] Last Name: [ ]

Business Name (Commercial): [ ] Title: [ ]

Customer Address: [ ]

City: [ ] State: [ ] Zip: [ ]

Telephone: [ ] - [ ] - [ ] Work Phone: [ ] - [ ] - [ ]

E-mail: [ ]

RESPOND POWER - ELECTRIC:
The initial term of this agreement is:
VARIABLE FIXED RATE
The price for electricity is \_\_\_\_\_ per kwh.
The fixed rate term for this agreement is:
Monthly 6 months 12 months 24 months

MAJOR ENERGY - GAS:
The initial term of this agreement is:
VARIABLE FIXED RATE
The price for gas is \_\_\_\_\_ per Therm.
The fixed rate term for this agreement is:
Monthly 6 months 12 months 24 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec WPP PP
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received, read and understand the Terms and Conditions.
7) I understand that choosing a supplier may affect government assistance programs.
8) I have received, read and understand the Contract Summary.

Print Name: \_\_\_\_\_ Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_



NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within three business days of 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 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to seller: Major Energy Services, LLC, 100 Dutch Hill Rd., Suite 230, Orangeburg, NY 10962 or fax it to 347-274-0890 NO LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE DATE OF TRANSACTION.

Date of Transaction \_\_\_\_\_ Utility Account Number \_\_\_\_\_ Telephone Number \_\_\_\_\_
I hereby cancel this transaction. \_\_\_\_\_ Date \_\_\_\_\_ Buyer's Signature \_\_\_\_\_

Major Energy Services, LLC, 100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962, (888) 625-6760, fax: (347) 274-0890

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES** **Penlec/West Penn Exhibit KLB-6**  
**DISCLOSURE STATEMENT**

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163898

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118838

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-873-7763; Major Energy for Gas at 1-888-625-8760; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** — The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to each pipeline transportation from the production area (usually the Gulf of Mexico), natural gas cost on the interstate and local distribution pipelines ("pipelines"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas and Major Energy's goal each and every month is to deliver your gas at a price that is less than what you would have paid had you purchased your gas from your local utility company, however, due to market fluctuations and conditions, Major Energy can not always guarantee that every month you will see savings. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mcf, Ccf or Therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity cost on the transmission system ("pipelines"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity and Respond Power's goal each and every month is to deliver your power at a price that is less than what you would have paid had you purchased your power from your local utility company, however, due to market fluctuations and conditions, Respond Power cannot always guarantee that every month you will see savings. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

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**3. Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Major Energy in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed price service, unless otherwise agreed in writing, if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will pay Major Energy a variable price for all usage in excess of the Base Load and the fixed price for usage up to the Base Load ("True-Up"). If the usage in any month falls ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption ("True-Up"). The True up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-6 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Respond or Major at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

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If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

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If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

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or the effective date of the proposed changes. These notifications will explain your options going forward.

**6. Dispute Procedures.** In the event of a billing dispute or a disagreement involving Affiliates' service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Affiliate by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitrated. THIS MEANS YOU SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS YOU MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the State Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

**12. Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Law.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement (including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel. PECO Energy 1-800-841-4141; Columbia Gas of PA 1-800-480-4332; UGI Utilities 1-800-808-4844; National Fuel Gas of PA 1-800-444-0130, PPL 1-800-342-5775; Penlec/Met-Ed 1-888-544-4877; Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility, for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to make payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

**18. E-mail.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPND (1-877-978-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-8760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8099  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-383-7100

PPL Electric Utilities  
627 Hausman Road  
Allentown, PA 18104  
1-800-342-6775

Met-Ed/Penlec  
P.O. Box 3687  
Akron, OH 44309  
1-800-545-7741

West Penn Power  
P.O. Box 9816  
Akron, Ohio 44309  
1-800-688-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3800

Gas Distribution Company (GDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 380  
Reading, PA 19805  
Phone: 1-800-606-4844

National Fuel Gas Distribution  
6363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3285  
Harrisburg, PA 17105-3285  
Electric Competition Hotline Number:  
1-800-682-7300

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*

RESPOND POWER



www.respondpower.com

DOOR TO DOOR SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 fax: (347) 274-0890

Agent Name: [ ] Agent Code: [ ]

Residential Commercial Service Type: Electricity Gas Both Best Time to Call: [ ]

Electric Account or Customer Number: [ ]

Gas Account Number: [ ]

First Name: [ ] Last Name: [ ]

Business Name (Commercial): [ ] Title: [ ]

Customer Address: [ ]

City: [ ] State: [ ] Zip: [ ]

Telephone: [ ] - [ ] - [ ] Work Phone: [ ] - [ ] - [ ]

E-mail: [ ]

RESPOND POWER - ELECTRIC:
The initial term of this agreement is:
[ ] VARIABLE [ ] FIXED RATE
The price for electricity is [ ] per kwh.
The fixed rate term for this agreement is:
[ ] Monthly [ ] 6 months [ ] 12 months [ ] 24 months

MAJOR ENERGY - GAS:
The initial term of this agreement is:
[ ] VARIABLE [ ] FIXED RATE
The price for gas is [ ] per Therm.
The fixed rate term for this agreement is:
[ ] Monthly [ ] 6 months [ ] 12 months [ ] 24 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: [ ] PECO Energy [ ] Duquesne Light [ ] PPL Electric Utilities [ ] Met-Ed [ ] Penelec [ ] WPP [ ] PP
My local Gas utility company is: [ ] PECO Energy [ ] Columbia Gas of Pennsylvania [ ] UGI Gas [ ] National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received, read and understand the Terms and Conditions.
7) I understand that choosing a supplier may affect government assistance programs.
8) I have received, read and understand the Contract Summary.

Print Name: [ ] Customer Signature: [ ]

Date: [ ]



NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within three business days of 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 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to seller: Major Energy Services, LLC, 100 Dutch Hill Rd., Suite 230, Orangeburg, NY 10962 or fax it to 347-274-0890 NO LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE DATE OF TRANSACTION.

Date of Transaction Utility Account Number Telephone Number
Date for Notice of Cancellation I hereby cancel this transaction. Date Buyer's Signature

Major Energy Services, LLC, 100 Dutch Hill Road, Suite 230, Orangeburg, NY, 10962, (888) 625-6760, fax: (347) 274-0890

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC AFFILIATES DISCLOSURE STATEMENT**

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-218388.

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-211886.

We set the commodity prices and charges that you pay. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** — You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-825-8760; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** — The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** — The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** — Charge for production of electricity.

**Transmission Charge** — Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

1. **Basic Service Prices.** Itemize Basic Services you are billing for and their prices.

**Gas**

**Variable Rate.** Your price may vary from month to month. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin to the gas. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Major Energy offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Major Energy will bill you a unit price using the same units as your current Natural Gas Distribution Company (Mcf, Ccf or therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** Your price may vary from month to month. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin to the electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Respond Power offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Respond Power will bill you a unit price using the same units as your current Electric Distribution Company (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If you signed up through a Standard Offer Program, your fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

2. **Length of Agreement and Renewal Terms.** You will buy your electricity and/or gas for your listed street address from Respond Power and/or Major Energy (collectively and/or individually as the case may be hereafter "Affiliates") beginning on a date set by your Local Distribution Company, (hereinafter "LDC") and will continue for 12 months (unless stated otherwise on a Fixed Price deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will renew for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or customer notifies Respond Power and/or Major Energy by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

3. **Penalties, Fees and Exceptions.** If your agreement is for a Fixed Rate, you may not cancel during the duration of the Fixed Rate agreement. If customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power. In addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Major Energy in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed price service, unless otherwise agreed in writing, if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed price for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, overhead costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption ("True-up"). The True up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-9 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Respond or Major at its discretion) or if Customer fails to meet the obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

4. **Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Respond Power electric or Major Energy gas charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Respond Power and/or Major Energy, and Respond Power and/or Major Energy will also cancel the contract. In this event, if Customer was being served by Respond Power or Major Energy under a Fixed Rate plan, customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Respond Power's ability to supply electricity or Major Energy's ability to supply natural gas in Pennsylvania, it becomes no longer feasible or practical for Respond Power to supply electricity or Major Energy to supply natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Respond Power and/or Major Energy will notify you of this fact in writing and will advise you of your available choices. No penalty under Number 3 above will be assessed in this event.

If customer moves from one location to another, even if the move is within your current local utility company's service territory, this agreement is cancelled and there are no penalties or early cancellation fees.

5. **Agreement Expiration/Change in Terms.** If you have a fixed term contract with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of contract, you will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain your options going forward.

6. **Dispute Procedures.** In the event of a billing dispute or a disagreement involving Affiliates' services hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Affiliate by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either

party may request arbitration. Any claim by customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS YOU SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL, ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS YOU MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

7. **Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Respond Power and/or Major Energy. Affiliates may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

8. **Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

9. **Title.** Customer and Respond Power and/or Major Energy agree that title to, control of, and risk of loss to the electricity and gas supplied by Affiliates under this Agreement will transfer from Affiliates to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

10. **Warranty.** This Agreement, including any enrollment form and applicable attachments, as written makes up the entire Agreement between Customer and Respond Power and/or Major Energy. Affiliates make no representations or warranties other than those expressly set forth in this Agreement, and Affiliates expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

11. **Force Majeure.** Affiliates will make commercially reasonable efforts to provide electricity and natural gas hereunder but do not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Affiliates ("Force Majeure Events") may result in interruptions in service. Affiliates will not be liable for any such interruptions caused by a Force Majeure Event, and Affiliates are not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, the flood, storm, war, 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 Electric or Gas Distribution Company (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Respond Power's and/or Major Energy's control.

12. **Liability.** The remedy in any claim or suit by Customer against Respond Power and/or Major Energy will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Respond Power or Major Energy or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

13. **Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

14. **Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Major Energy and Respond Power shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

15. **Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, contact your local Electric Distribution Company ("EDC") or Natural Gas Distribution Company ("NGDC") at one of the telephone numbers listed below. You should also contact your local emergency personnel, PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-608-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Mat-Ed 1-888-544-4877, Duquesne Light 1-888-393-7000.

16. **Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

17. **Billing and Payment.** You will receive one bill from your utility, which will include our charges as well as your utility charges. The rules of the utility will apply to the billing and collection of monies owed. You must make payment directly to and to the order of your utility for both utility transportation charges and our energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 45-day period.

18. **Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

19. **Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
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1-877-9-RESPND (1-877-973-7763)  
www.respondpower.com

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Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
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Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Havaman Road  
Allentown, PA 18104  
1-800-942-5775

Met-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
1-800-545-7741

West Penn Power  
P.O. Box 3615  
Akron, Ohio 44309  
1-800-686-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and  
Provider of Last Resort:  
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2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 380  
Reading, PA 19605  
Phone: 1-800-608-4844

National Fuel Gas Distribution  
5363 Main Street  
Williamsport, NY 14221  
Phone: 1-800-365-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-692-7380

*Universal Service Program: Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your EDC at the phone number listed above for your EDC.*



www.respondpower.com DOOR TO DOOR SALES AGREEMENT INFORMATION www.majorenergy.com

**RESPOND POWER, LLC**  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-877-973-7763 • fax: (347) 274-0890

**MAJOR ENERGY SERVICES, LLC**  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-888-625-6760 • fax: (347) 274-0890



**Electric UTILITIES**  PECO Energy  Duquesne Light  
 PPL Electric Utilities  Met-Ed  Penelec  WPP  PP

**Gas UTILITIES**  PECO Energy  Columbia Gas of Pennsylvania  
 UGI Gas  National Fuel Gas of Pennsylvania

**Variable Rate Contract Summary**

	Electric	Gas
Generation Supplier Information	Respond Power, 877-973-7763 respondpower.com Respond Power is responsible for generation charges.	Major Energy, 888-625-6760 majorenergy.com Major Energy is responsible for generation charges.
Price Structure	Variable. This rate is set by Respond Power and reflects their Generation Charge as reflected by the P.M. Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric utility's Transmission System (where they receive the electricity). For their services, Respond Power adds a profit margin. Price may change monthly and notification will occur when customer receives Bill.	Variable. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin. Price may change monthly and notification will occur when customer receives Bill.
Supply Price	The initial price for electricity is _____ per kwh	The initial price for gas is _____ per Therm
Statement Regarding Savings	Due to market fluctuations and conditions, there is no limit on the price change and we do not guarantee that you will see savings.	Due to market fluctuations and conditions, there is no limit on the price change and we do not guarantee that you will see savings.
Contract Start Date	The first or second meter read date after utility approval.	The first or second meter read date after utility approval.
Contract Term/Length	Monthly	Monthly
Cancellation Fees	None	None
Renewal Terms	Renews monthly. If changes are proposed to the terms of service, you will receive two written notices from us 45-60 and 30 days prior to its effect.	Renews monthly. If changes are proposed to the terms of service, you will receive two written notices from us 45-60 and 30 days prior to its effect.
Distribution Company Information	Please see section 18 of the disclosure statement for information on your utility. The EDC is responsible for distribution charges, emergencies and outages.	Please see section 19 of the disclosure statement for information on your utility. The GDC is responsible for distribution charges, emergencies and outages.

**Fixed Rate Contract Summary**

	Electric	Gas
Generation Supplier Information	Respond Power, 877-973-7763 respondpower.com Respond Power is responsible for generation charges.	Major Energy, 888-625-6760 majorenergy.com Major Energy is responsible for generation charges.
Price Structure	Fixed	Fixed
Supply Price	The price for electricity is _____ per kwh	The price for gas is _____ per Therm
Statement Regarding Savings	We do not always guarantee savings.	We do not always guarantee savings.
Contract Start Date	The first or second meter read date after utility approval.	The first or second meter read date after utility approval.
Contract Term/Length	<input type="checkbox"/> 6 months <input type="checkbox"/> 12 months <input type="checkbox"/> 24 months	<input type="checkbox"/> 6 months <input type="checkbox"/> 12 months <input type="checkbox"/> 24 months
Cancellation Fees	Up to \$200	Up to \$200
Renewal Terms	Upon expiration this agreement will re-new under a Variable Rate. You will receive two written notices from us 45-60 and 30 days prior to the expiration of this term or proposed changes in terms of service.	Upon expiration this agreement will re-new under a Variable Rate. You will receive two written notices from us 90 and 60 days prior to the expiration of this term or proposed changes in terms of service.
Distribution Company Information	Please see section 18 of the disclosure statement for information on your utility. The EDC is responsible for distribution charges, emergencies and outages.	Please see section 19 of the disclosure statement for information on your utility. The GDC is responsible for distribution charges, emergencies and outages.

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 form for an explanation of this right.

**NOTICE OF CANCELLATION**

You may cancel this transaction, without any penalty or obligation, within three business days of 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 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail a signed and dated copy of this cancellation notice or any other written notice to seller: Major Energy Services, LLC, 100 Dutch Hill Rd., Suite 230, Orangeburg, NY 10962 or fax it to 347-274-0890 NO LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE DATE OF TRANSACTION.

Date of Transaction \_\_\_\_\_ Utility Account Number \_\_\_\_\_ Telephone Number \_\_\_\_\_

Not later than midnight of 3rd business day following transaction

I hereby cancel this transaction. \_\_\_\_\_ Date \_\_\_\_\_ Buyer's Signature \_\_\_\_\_

\_\_\_\_\_ Last Date for Notice of Cancellation

Major Energy Services, LLC/Respond Power, LLC, 100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962 • (888) 625-6760 • fax: (347) 274-0890

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Agreement to Sell and Purchase Energy.**

This is an agreement between the undersigned customer ("Customer") and Respond Power LLC, an electric generation supplier, and/or Major Energy Services LLC, a natural gas supplier (collectively and/or individually hereinafter "Supplier"). Under this agreement (the "Agreement") Customer shall receive service for electricity and/or gas and begin enrollment with Supplier. Subject to the terms and conditions of this Agreement, Supplier, enrolling the account, and Customer's Local Distribution Company (the "LDC") accepting the enrollment, Supplier agrees to sell and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by Supplier, necessary to meet Customer's requirements based upon consumption data obtained by Supplier or the delivery schedule of the LDC. The amount of natural gas or electricity supplied under the Agreement is subject to change. Supplier is not affiliated with and does not represent the LDC. Supplier reserves the right to reject the Agreement. Supplier may submit an enrollment to the LDC up to 90 days after receiving the Agreement from Customer.

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163688.

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118336.

Supplier sets the commodity prices and charges that Customer pays. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** - Customer may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-825-6700; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** - The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** - The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution line of an electric distribution company.

**Terms of Service**

**1. Base Service Prices.** For its services, Supplier adds a profit margin to the price of natural gas or electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Gas**

**Variable Rate.** The price may vary from month to month. The rate is set by Supplier and reflects the commodity cost of gas as reflected by the NYMEX last day settle ("Settle") or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas cost on the interstate and local distribution pipelines, estimated state taxes, and any other costs that Supplier incurs to deliver natural gas to the LDC's "City Gate" (where they receive the gas) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Supplier will bill Customer a unit price using the same units as the LDC (Mcf, Ccf or therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** The price may vary from month to month. This rate is set by Supplier and reflects the Generation Charge, which includes the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity cost on the transmission system, estimated state taxes, and any other costs that Supplier incurs to deliver the electricity to the LDC's Transmission System (where they receive the electricity) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Supplier will bill a unit price using the same units as the LDC (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If Customer signs up through a Standard Offer Program, the fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** Beginning on a date set by the LDC, the Agreement will continue for 12 months (unless stated otherwise on a Fixed Rate deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or Customer notifies Supplier by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or Customer notifies Supplier by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If agreement is for a Fixed Rate, Customer may not cancel during the duration of the Fixed Rate agreement. If Customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Supplier in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed rate service, unless otherwise agreed in writing its usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed rate for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. The True-up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value; for months 1-3 on the 4th bill, for months 4-8 on the 7th bill, for months 7-8 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Supplier at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Supplier charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Supplier, and Supplier will also cancel the contract. In this event, if Customer was being served by Supplier under a Fixed Rate plan, Customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Suppliers ability to supply electricity or natural gas in Pennsylvania, it becomes no longer feasible or practical for Supplier to supply electricity or natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Supplier will notify Customer of this fact in writing and will advise of available choices. No penalty under Number 3 above will be assessed in this event.

**5. Agreement Expiration/Change in Terms.** If the Agreement is for a Fixed Rate and it is approaching the expiration date or whenever Supplier proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain the options going forward.

**6. Dispute Procedures.** In the event of a billing dispute or a disagreement involving Supplier's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should

contact Supplier by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by Customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS CUSTOMER SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS CUSTOMER MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Supplier. Supplier may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Supplier agree that title to, control of, and risk of loss to the electricity and gas supplied by under this Agreement will transfer from Supplier to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement as written, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and Supplier. Supplier makes no representations or warranties other than those expressly set forth in this Agreement, and Supplier expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Supplier will make commercially reasonable efforts to provide electricity and natural gas hereunder but does not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Supplier ("Force Majeure Events") may result in interruptions in service. Supplier will not be liable for any such interruptions caused by a Force Majeure Event, and Supplier is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 LDC (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Supplier's control.

**12. Liability.** The remedy in any claim or suit by Customer against Supplier will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Supplier or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws, Venue** for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, IGAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Supplier shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, Customer should contact the LDC at one of the telephone numbers listed below. Customer should also contact local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-450-8332, UGI Utilities 1-800-698-4844, National Fuel Gas of PA 1-800-444-5190, PPL 1-800-342-5775, Penelec/West-Penn 1-888-544-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** Customer will receive one bill from the LDC, which will include the Supplier charges as well as the utility charges. The rules of the LDC will apply to the billing and collection of monies owed. Customer must make payment directly to and to the order of the LDC, for both utility transportation charges and Supplier's energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in the LDC's tariff. If Customer fails to remit payment when due or breaches any of the other terms and conditions of the Agreement, then, in addition to any other remedies Supplier may have, Supplier has the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that Customer does not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**18. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-9-RESPOND (1-877-973-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-825-6700)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000  
Duquesne Light  
411 Seventh Avenue (6-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
1-800-342-5775

Mid-Ed/Penelec  
P.O. Box 3687  
Akron, OH 44309  
1-800-545-7741

West Penn Power  
P.O. Box 3615  
Akron, Ohio 44309  
1-800-888-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 15317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19606  
Phone: 1-800-809-4844

National Fuel Gas Distribution  
8363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-385-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Competition Hotline Number:  
1-800-892-7390

*Universal Service Program: Your LDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your LDC at the phone number listed above for your LDC.*

RESPOND POWER



www.respondpower.com

DOOR TO DOOR SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 • fax: (347) 274-0890

Agent Name: [ ] Agent Code: [ ]

Residential Commercial Service Type: Electricity Gas Both Best Time to Call: [ ]

Electric Account or Customer Number: [ ]

Gas Account Number: [ ]

First Name: [ ] Last Name: [ ]

Business Name (Commercial): [ ] Title: [ ]

Customer Address: [ ]

City: [ ] State: [ ] Zip: [ ]

Telephone: [ ] - [ ] - [ ] Work Phone: [ ] - [ ] - [ ]

E-mail: [ ]

RESPOND POWER - ELECTRIC:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for electricity is [ ] per kwh.

The fixed rate term for this agreement is:

Monthly 6 months 12 months 24 months

MAJOR ENERGY - GAS:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for gas is [ ] per Therm.

The fixed rate term for this agreement is:

Monthly 6 months 12 months 24 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services, LLC and is not from my local utility company.
2) My local electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Met-Ed Penelec WPP PP
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received, read and understand the Terms and Conditions.
7) I understand that choosing a supplier may affect government assistance programs.
8) I have received, read and understand the Contract Summary.

Print Name: [ ] Customer Signature: [ ]

Date: [ ]



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 form for an explanation of this right.

NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within three business days of 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 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail a signed and dated copy of this cancellation notice or any other written notice to seller: Major Energy Services, LLC, 100 Dutch Hill Rd., Suite 230, Orangeburg, NY 10962 or fax it to 347-274-0890 NO LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE DATE OF TRANSACTION.

Date of Transaction Utility Account Number Telephone Number
Not later than midnight of 3rd business day following transaction I hereby cancel this transaction. Date Buyer's Signature
Last Date for Notice of Cancellation

Major Energy Services, LLC/Respond Power LLC, 100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962, (888) 625-6760, fax: (347) 274-0890

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT**

**Agreement to Sell and Purchase Energy.**

This is an agreement between the undersigned customer ("Customer") and Respond Power LLC, an electric generation supplier, and/or Major Energy Services LLC, a natural gas supplier (collectively and/or individually hereinafter "Supplier"). Under this agreement (the "Agreement") Customer shall initiate service for electricity and/or gas and begin enrollment with Supplier. Subject to the terms and conditions of this Agreement, Supplier enrolling the account, and Customer's Local Distribution Company (the "LDC") accepting the enrollment, Supplier agrees to sell and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by Supplier, necessary to meet Customer's requirements based upon consumption data obtained by Supplier or the delivery schedule of the LDC. The amount of natural gas or electricity supplied under the Agreement is subject to change. Supplier is not affiliated with and does not represent the LDC. Supplier reserves the right to reject the Agreement. Supplier may submit an enrollment to the LDC up to 90 days after receiving the Agreement from Customer.

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2183888

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118836

Supplier sets the commodity prices and charges that Customer pays. The Public Utility Commission regulates distribution prices and service.

**Right of Rescission** - Customer may cancel this agreement at any time before midnight of the third business day after receiving the disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-825-6780; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** - The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** - The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** For its services, Supplier adds a profit margin to the price of natural gas or electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Gas**

**Variable Rate.** The price may vary from month to month. The rate is set by Supplier and reflects the commodity cost of gas as reflected by the NYMEX last day settle ("Settle") or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas fee on the interstate and local distribution pipelines, estimated state taxes, and any other costs that Supplier incurs to deliver natural gas to the LDC's "City Gate" (where they receive the gas) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Supplier will bill Customer a unit price using the same units as the LDC (Mcf, Ccf or Therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** The price may vary from month to month. This rate is set by Supplier and reflects the Generation Charge, which includes the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system, estimated state taxes, and any other costs that Supplier incurs to deliver the electricity to the LDC's Transmission System (where they receive the electricity) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 6, 12 or 24 months and Supplier will bill a unit price using the same units as the LDC (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If Customer signs up through a Standard Offer Program, the fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** Beginning on a date set by the LDC, the Agreement will continue for 12 months (unless stated otherwise on a Fixed Rate deal). If this Agreement is for a fixed rate and no new fixed rate is set, then this Agreement will re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or Customer notifies Supplier by mail or phone at least 45 days prior to the 12 month anniversary of the contract date. If this Agreement is for a Variable Rate, then this Agreement will also re-new for successive 12 month periods under a Variable Rate unless it is cancelled pursuant to Section 4 below or Customer notifies Supplier by mail or phone at least 45 days prior to the 12 month anniversary of the contract date.

**3. Penalties, Fees and Exceptions.** If agreement is for a Fixed Rate, Customer may not cancel during the duration of the Fixed Rate agreement. If Customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Supplier for any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed rate services, unless otherwise agreed in writing if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed rate for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. The True-up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-6 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Supplier at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Supplier charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, the bill will automatically void the contract between Customer and Supplier, and Supplier will also cancel the contract. In this event, if Customer was being served by Supplier under a Fixed Rate plan, Customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason, it becomes no longer feasible or practical for Supplier to supply electricity or natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Supplier will notify Customer of this fact in writing and will advise of available choices. No penalty under Number 3 above will be assessed in this event.

**5. Agreement Expiration/Change in Terms.** If the Agreement is for a Fixed Rate and it is approaching the expiration date or whenever Supplier proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain the options going forward.

**6. Dispute Procedures.** In the event of a billing dispute or a disagreement involving Supplier's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should

contact Supplier by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by Customer (except for a claim challenging the validity or enforceability of the arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS CUSTOMER SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS CUSTOMER MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Supplier. Supplier may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Return Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject to this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Supplier agree that title to, control of, and risk of loss to the electricity and gas supplied by under this Agreement will transfer from Supplier to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement is written, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and Supplier. Supplier makes no representations or warranties other than those expressly set forth in this Agreement, and Supplier expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Supplier will make commercially reasonable efforts to provide electricity and natural gas hereunder but does not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Supplier ("Force Majeure Events") may result in interruptions in service. Supplier will not be liable for any such interruptions caused by a Force Majeure Event, and Supplier is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events include acts of God, the flood, storm, terrorist, war, civil disturbance, acts of any governmental authority, accidents, strikes, labor disputes or protests, required maintenance work, inability to access the local distribution utility system, non-performance by the LDC (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other causes beyond Supplier's control.

**12. Liability.** The remedy in any claim or suit by Customer against Supplier will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Supplier or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws, Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.**

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, RFP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement's energy charges, but not related to price, Supplier shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, Customer should contact the LDC at one of the telephone numbers listed below. Customer should also contact local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-480-4332, UGI Utilities 1-800-809-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5778, Penelec/Met-Ed 1-888-544-4877, Duquesne Light 1-888-383-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** Customer will receive one bill from the LDC, which will include the Supplier charges as well as the utility charges. The rules of the LDC will apply to the billing and collection of monies owed. Customer must make payment directly to and in the order of the LDC, for both utility transportation charges and Supplier's energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in the LDC's tariff. If Customer fails to remit payment when due or breaches any of the other terms and conditions of the Agreement, then, in addition to any other remedies Supplier may have, Supplier has the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that Customer does not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

- |   |   |
|---|---|
| Respond Power, LLC<br>160 Dutch Hill Rd., Suite 230<br>Orangeburg NY 10982<br>1-877-9-RESPND (1-877-973-7763)<br>www.respondpower.com   | Penn Power<br>P.O. Box 3687<br>Akron, OH 44309<br>1-800-720-3800  |
| Major Energy, LLC<br>100 Dutch Hill Rd., Suite 230<br>Orangeburg NY 10982<br>1-888-MAJOR-60 (1-888-825-6780)<br>www.majorenergy.com   | Gas Distribution Company (GDC) and<br>Provider of Last Resort:<br>PECO ENERGY<br>2301 Market Street<br>Philadelphia, PA 19101<br>PECO Energy 1-800-494-4000 |
| Electric Distribution Company (EDC) and<br>Provider of Last Resort:<br>PECO ENERGY<br>2301 Market Street<br>P.O. Box 6589<br>Philadelphia, PA 19101<br>PECO Energy 1-800-494-4000 | Columbia Gas of Pennsylvania<br>501 Technology Drive<br>Canonsburg, PA 15317<br>Phone Number: (888) 460-4332  |
| Duquesne Light<br>411 Seventh Avenue (6-1)<br>Pittsburgh, PA 15219<br>Duquesne Light 1-412-383-7100   | UGI Gas<br>2525 North 12th Street<br>Suite 360<br>Reading, PA 19605<br>Phone: 1-800-609-4844  |
| PPL Electric Utilities<br>827 Hausman Road<br>Arlington, VA 18104<br>1-800-342-5778   | National Fuel Gas Distribution<br>638 Main Street<br>Weston, MA 02451<br>Phone: 1-800-365-3234  |
| Met-Ed/Penelec<br>P.O. Box 3687<br>Akron, OH 44309<br>1-800-645-7741  | Public Utility Commission (PUC)<br>P.O. Box 3285<br>Harrisburg, PA 17105-3285<br>Electric Competition Hotline Number:<br>1-800-682-7380                     |

*Universal Service Program: Your LDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your LDC at the phone number listed above for your LDC.*



www.respondpower.com

DOOR TO DOOR SALES AGREEMENT INFORMATION

www.majorenergy.com

RESPOND POWER, LLC  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-877-973-7763 • fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC  
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962  
1-888-625-6760 • fax: (347) 274-0890



**Electric Utilities**  PECO Energy  Duquesne Light  
 PPL Electric Utilities  Met-Ed  Penelec  WPP  PP

**Gas Utilities**  PECO Energy  Columbia Gas of Pennsylvania  
 UGI Gas  National Fuel Gas of Pennsylvania

**Variable Rate Contract Summary**

	Electric	Gas
Generation Supplier Information	Respond Power, 877-973-7763 respondpower.com Respond Power is responsible for generation charges.	Major Energy, 888-625-6760 majorenergy.com Major Energy is responsible for generation charges.
Price Structure	Variable. This rate is set by Respond Power and reflects their Generation Charge as reflected by the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system ("losses"), estimated state taxes, and any other costs that Respond Power incurs to deliver your electricity to your electric Utility's transmission system (where they receive the electricity). For their services, Respond Power adds a profit margin. Price may change monthly and notification will occur when customer receives Bill.	Variable. This rate is set by Major Energy and reflects their commodity cost of gas as reflected by the NYMEX last day settle or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines ("losses"), estimated state taxes, and any other costs that Major Energy incurs to deliver your natural gas to your Natural Gas Utility's "City Gate" (where they receive the gas). For their services, Major Energy adds a profit margin. Price may change monthly and notification will occur when customer receives Bill.
Supply Price	The initial price for electricity is _____ per kwh	The initial price for gas is _____ per Therm
Statement Regarding Savings	Due to market fluctuations and conditions, there is no limit on the price change and we do not guarantee that you will see savings.	Due to market fluctuations and conditions, there is no limit on the price change and we do not guarantee that you will see savings.
Contract Start Date	The first or second meter read date after utility approval.	The first or second meter read date after utility approval.
Contract Term/Length	Monthly	Monthly
Cancellation Fees	None	None
Renewal Terms	Renews monthly. If changes are proposed to the terms of service, you will receive two written notices from us 45-60 and 30 days prior to its effect.	Renews monthly. If changes are proposed to the terms of service, you will receive two written notices from us 45-60 and 30 days prior to its effect.
Distribution Company Information	Please see section 19 of the disclosure statement for information on your utility. The EDC is responsible for distribution charges, emergencies and outages.	Please see section 19 of the disclosure statement for information on your utility. The GDC is responsible for distribution charges, emergencies and outages.

**Fixed Rate Contract Summary**

	Electric	Gas
Generation Supplier Information	Respond Power, 877-973-7763 respondpower.com Respond Power is responsible for generation charges.	Major Energy, 888-625-6760 majorenergy.com Major Energy is responsible for generation charges.
Price Structure	Fixed	Fixed
Supply Price	The price for electricity is _____ per kwh	The price for gas is _____ per Therm
Statement Regarding Savings	We do not always guarantee savings.	We do not always guarantee savings.
Contract Start Date	The first or second meter read date after utility approval.	The first or second meter read date after utility approval.
Contract Term/Length	<input type="checkbox"/> 3 months <input type="checkbox"/> 6 months <input type="checkbox"/> 12 months <input type="checkbox"/> 24 months	<input type="checkbox"/> 3 months <input type="checkbox"/> 6 months <input type="checkbox"/> 12 months <input type="checkbox"/> 24 months
Cancellation Fees	No early termination fee for fixed rate terms of 3 months or less. If a fixed rate lasts 4 months or longer, the termination fee is \$200.	No early termination fee for fixed rate terms of 3 months or less. If a fixed rate lasts 4 months or longer, the termination fee is \$200.
Renewal Terms	Upon expiration this agreement will re-new under a Variable Rate. You will receive two written notices from us 45-60 and 30 days prior to the expiration of this term or proposed changes in terms of service.	Upon expiration this agreement will re-new under a Variable Rate. You will receive two written notices from us 90 and 60 days prior to the expiration of this term or proposed changes in terms of service.
Distribution Company Information	Please see section 19 of the disclosure statement for information on your utility. The EDC is responsible for distribution charges, emergencies and outages.	Please see section 19 of the disclosure statement for information on your utility. The GDC is responsible for distribution charges, emergencies and outages.

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 form for an explanation of this right.

**NOTICE OF CANCELLATION**

You may cancel this transaction, without any penalty or obligation, within three business days of 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 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail a signed and dated copy of this cancellation notice or any other written notice to seller: Major Energy Services, LLC, 100 Dutch Hill Rd., Suite 230, Orangeburg, NY 10962 or fax it to 347-274-0890 NO LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE DATE OF TRANSACTION.

Date of Transaction \_\_\_\_\_ Utility Account Number \_\_\_\_\_ Telephone Number \_\_\_\_\_

Not later than midnight of 3rd business day following transaction \_\_\_\_\_

Last Date for Notice of Cancellation \_\_\_\_\_ I hereby cancel this transaction. \_\_\_\_\_ Date \_\_\_\_\_ Buyer's Signature \_\_\_\_\_

Major Energy Services, LLC/Respond Power, LLC, 100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962 • (888) 625-6760 • fax: (347) 274-0890

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT**

**Agreement to Sell and Purchase Energy.**

This is an agreement between the undersigned customer ("Customer") and Respond Power LLC, an electric generation supplier, and/or Major Energy Services LLC, a natural gas supplier (collectively and individually hereafter "Supplier"). Under this agreement (the "Agreement") Customer shall initiate service for electricity and/or gas and begin enrollment with Supplier. Subject to the terms and conditions of this Agreement, Supplier enrolling the account, and Customer's Local Distribution Company (the "LDC") accepting the enrollment, Supplier agrees to sell and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by Supplier, necessary to meet Customer's requirements based upon consumption data obtained by Supplier or the delivery schedule of the LDC. The amount of natural gas or electricity supplied under the Agreement is subject to change. Supplier is not affiliated with and does not represent the LDC. Supplier reserves the right to reject the Agreement. Supplier may submit an enrollment to the LDC up to 90 days after receiving this Agreement from Customer.

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163888

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118535

Supplier sets the commodity prices and charges that Customer pays. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** - Customer may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-873-7763; Major Energy for Gas at 1-888-625-6780; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** - The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** - The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** For its services, Supplier adds a profit margin to the price of natural gas or electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Gas**

**Variable Rate.** The price may vary from month to month. The rate is set by Supplier and reflects the commodity cost of gas as reflected by the NYMEX last day settle ("Settle") or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the interstate and local distribution pipelines, estimated state taxes, and any other costs that Supplier incurs to deliver natural gas to the LDC's "City Gate" (where they receive the gas) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Major Energy will bill Customer a unit price using the same units as the LDC (Mcf, Ccf or Therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** The price may vary from month to month. This rate is set by Supplier and reflects the Generation Charge, which includes the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity loss on the transmission system, estimated state taxes, and any other costs that Supplier incurs to deliver the electricity to the LDC's Transmission System (where they receive the electricity) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Supplier will bill a unit price using the same units as the LDC (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If Customer signs up through a Standard Offer Program, the fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** Beginning on a date set by the LDC, the Agreement will continue monthly unless stated otherwise on a Fixed Rate deal. For Fixed Rate service this Agreement shall commence as of the date Customer's notice regarding the change of Customer's provider to Supplier is deemed effective by the LDC, and shall continue for 3, 6, 12, 18 or 24 months thereafter (the "Initial Term") or as set forth on the first page of this agreement. Unless otherwise agreed to, upon completion of the Initial Term, this Agreement will renew at a month-to-month variable rate, with no change to the remaining terms (the "Renewal Term")

**3. Penalties, Fees and Exceptions. Residential:** No early termination fee for variable rate service or fixed rate service of 3 months or less. If a fixed rate lasts 4 months or longer, the termination fee is \$200. Commercial: If agreement is for a Fixed Rate, Customer may not cancel during the duration of the Fixed Rate agreement. If Customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Supplier in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 20¢ per kWh multiplied by the amount of terms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed rate service, unless otherwise agreed in writing if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed rate for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. The True-up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-6 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Supplier at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Supplier charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Supplier, and Supplier will also cancel the contract. In this event, if Customer was being served by Supplier under a Fixed Rate plan, Customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Suppliers ability to supply electricity or natural gas in Pennsylvania, it becomes no longer feasible or practical for Supplier to supply electricity or natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Supplier will notify Customer of this fact in writing and will advise of available choices. No penalty under Number 3 above will be assessed in this event.

**5. Agreement Expiration/Change in Terms.** If the Agreement is for a Fixed Rate and it is approaching the expiration date or whenever Supplier proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain the options going forward.

**6. Dispute Procedures.** In the event of a billing dispute or a disagreement involving Supplier's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Supplier by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by Customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS CUSTOMER SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS CUSTOMER MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

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**9. Title.** Customer and Supplier agree that title to, control of, and risk of loss to the electricity and gas supplied by under this Agreement will transfer from Supplier to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before this passage with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement as written, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and Supplier. Supplier makes no representations or warranties other than those expressly set forth in this Agreement, and Supplier expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Supplier will make commercially reasonable efforts to provide electricity and natural gas hereunder but does not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Supplier ("Force Majeure Events") may result in interruptions in service. Supplier will not be liable for any such interruptions caused by a Force Majeure Event, and Supplier is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbances, 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 LDC (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Supplier's control.

**12. Liability.** The remedy in any claim or suit by Customer against Supplier will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Supplier or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws, Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.**

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**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information:**

Respond Power, LLC 100 Dutch Hill Rd., Suite 230 Orangeburg NY 10962 1-877-8-RESPND (1-877-873-7763) www.respondpower.com	Penn Power P.O. Box 3687 Akron, OH 44309 1-800-720-3600
Major Energy, LLC 100 Dutch Hill Rd., Suite 230 Orangeburg NY 10962 1-888-MAJOR-80 (1-888-625-6780) www.majorenergy.com	Gas Distribution Company (GDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street Philadelphia, PA 19101 PECO Energy 1-800-494-4000
Electric Distribution Company (EDC) and Provider of Last Resort: PECO ENERGY 2201 Market Street P.O. Box 6599 Philadelphia, PA 19101 PECO Energy 1-800-494-4000	Columbia Gas of Pennsylvania 501 Technology Drive Canonsburg, PA 15317 Phone Number: (888) 480-4332
Duquesne Light 411 Seventh Avenue (5-1) Pittsburgh, PA 15219 Duquesne Light 1-412-393-7100	UGI Gas 2525 North 12th Street Suite 360 Reading, PA 19605 Phone: 1-800-608-4844
PPL Electric Utilities 827 Hausman Road Allentown, PA 18104 1-800-342-6775	National Fuel Gas Distribution 6363 Main Street Williamsville, NY 14221 Phone: 1-800-365-3234
Met-Ed/Penelec P.O. Box 3687 Akron, OH 44309 1-800-845-7741	Public Utility Commission (PUC) P.O. Box 3266 Harrisburg, PA 17105-3265 Electric Complaint Hotline Number: 1-800-882-7380
West Penn Power P.O. Box 2615 Akron, Ohio 44309 1-800-688-0021	Universal Service Program: Your LDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your LDC at the phone number listed above for your LDC.

RESPOND POWER



www.respondpower.com

DOOR TO DOOR SALES AGREEMENT

www.majorenergy.com

RESPOND POWER, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-877-973-7763 fax: (347) 274-0890

MAJOR ENERGY SERVICES, LLC
100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962
1-888-625-6760 fax: (347) 274-0890

Agent Name: [ ] Agent Code: [ ]

Residential Commercial Service Type: Electricity Gas Both Best Time to Call: [ ]

Electric Account or Customer Number: [ ]

Gas Account Number: [ ]

First Name: [ ] Last Name: [ ]

Business Name (Commercial): [ ] Title: [ ]

Customer Address: [ ]

City: [ ] State: [ ] Zip: [ ]

Telephone: [ ] - [ ] - [ ] Work Phone: [ ] - [ ] - [ ]

E-mail: [ ]

RESPOND POWER - ELECTRIC:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for electricity is \_\_\_\_\_ per kwh.

The fixed rate term for this agreement is:

Monthly 6 months 12 months 24 months

MAJOR ENERGY - GAS:

The initial term of this agreement is:

VARIABLE FIXED RATE

The price for gas is \_\_\_\_\_ per Therm.

The fixed rate term for this agreement is:

Monthly 6 months 12 months 24 months

- 1) I understand that the Energy Consultant is representing Respond Power, LLC and Major Energy Services LLC and is not from my local utility company.
2) My local Electric utility company is: PECO Energy Duquesne Light PPL Electric Utilities Mes-Ed Penelec WPP PP
My local Gas utility company is: PECO Energy Columbia Gas of Pennsylvania UGI Gas National Fuel Gas of Pennsylvania
3) I understand that by choosing Respond Power and/or Major Energy as my electric and/or gas supplier, my local utility will continue to deliver my electric and/or gas, read my meter, bill me and respond to gas leaks and/or electric outages or any other emergency.
4) I am over 18 and the account holder, spouse of the account holder, or authorized to make account decisions.
5) I will continue to receive one bill from my local utility company.
6) I have received, read and understand the Terms and Conditions.
7) I understand that choosing a supplier may affect government assistance programs.
8) I have received, read and understand the Contract Summary.

Print Name: [ ] Customer Signature: [ ]

Date: [ ]



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 form for an explanation of this right.

NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within three business days of 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 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail a signed and dated copy of this cancellation notice or any other written notice to seller: Major Energy Services, LLC, 100 Dutch Hill Rd., Suite 230, Orangeburg, NY 10962 or fax it to 347-274-0890 NO LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE DATE OF TRANSACTION.

Date of Transaction Utility Account Number Telephone Number
Not later than midnight of 3rd business day following transaction I hereby cancel this transaction. Date Buyer's Signature
Last Date for Notice of Cancellation

Major Energy Services, LLC/Respond Power, LLC, 100 Dutch Hill Road, Suite 230, Orangeburg, NY 10962, (888) 625-6760, Fax: (347) 274-0890

**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC, AFFILIATES DISCLOSURE STATEMENT****Agreement to Sell and Purchase Energy.**

This is an agreement between the undersigned customer ("Customer") and Respond Power LLC, an electric generation supplier, and/or Major Energy Services LLC, a natural gas supplier (collectively and/or individually hereafter "Supplier"). Under this agreement (the "Agreement") Customer shall receive service for electricity and/or gas and begin enrollment with Supplier. Subject to the terms and conditions of this Agreement, Supplier enrolling the account, and Customer's Local Distribution Company (the "LDC") accepting the enrollment, Supplier agrees to sell and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by Supplier, necessary to meet Customer's needs based upon consumption data obtained by Supplier or the delivery schedule of the LDC. The amount of natural gas or electricity supplied under the Agreement is subject to change. Supplier is not affiliated with and does not represent the LDC. Supplier reserves the right to reject the Agreement. Supplier may submit an enrollment to the LDC up to 90 days after receiving the Agreement from Customer.

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163698.

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118636.

Supplier sets the commodity prices and charges that Customer pays. The Public Utility Commission regulates distribution prices and services.

**Right of Rescission** - Customer may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting Respond Power for Electricity at 1-877-673-7763; Major Energy for Gas at 1-888-625-6760; or in writing at the address listed below.

**Definitions****Basic Charges****Gas**

**Commodity Charges** - The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges** - The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** For its services, Supplier adds a profit margin to the price of natural gas or electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Gas**

**Variable Rate.** The price may vary from month to month. The rate is set by Supplier and reflects the commodity cost of gas as reflected by the NYMEX last day settle ("Settle") or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas lost on the intrastate and local distribution pipelines, estimated state taxes, and any other costs that Supplier incurs to deliver natural gas to the LDC's "City Gate" (where they receive the gas) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Major Energy will bill Customer a unit price using the same units as the LDC (Mcf, Col or Therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** The price may vary from month to month. This rate is set by Supplier and reflects the Generation Charge, which includes the PJM Day-Ahead market clearing capacity (the cost of reserve or standby power), electricity lost on the transmission system, estimated state taxes, and any other costs that Supplier incurs to deliver the electricity to the LDC's Transmission System (where they receive the electricity) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Supplier will bill a unit price using the same units as the LDC (kWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If Customer signs up through a Standard Offer Program, the fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** Beginning on a date set by the LDC, the Agreement will continue monthly unless stated otherwise on a Fixed Rate deal. For Fixed Rate services this Agreement shall commence as of the date Customer's notice regarding the change of Customer's provider to Supplier is deemed effective by the LDC, and shall continue for 3, 6, 12, 18 or 24 months thereafter (the "Initial Term") or as set forth on the first page of this agreement. Unless otherwise agreed to, upon completion of the Initial Term, this Agreement will renew at a month-to-month variable rate, with no change to the remaining terms (the "Renewal Term").

**3. Penalties, Fees and Exceptions. Residential:** No early termination fee for variable rate service or fixed rate terms of 3 months or less. If a fixed rate lasts 4 months or longer, the termination fee is \$200. **Commercial:** If agreement is for a Fixed Rate, Customer may not cancel during the duration of the Fixed Rate agreement. If Customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Supplier in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 20¢ per therm multiplied by the amount of therms remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed rate service, unless otherwise agreed in writing if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed rate for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. The True-up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-6 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Supplier at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Supplier charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Supplier, and Supplier will also cancel the contract. In this event, if Customer was being served by Supplier under a Fixed Rate plan, Customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Suppliers ability to supply electricity or natural gas in Pennsylvania, it becomes no longer feasible or practical for Supplier to supply electricity or natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Supplier will notify Customer of this fact in writing and will advise of available choices. No penalty under Number 3 above will be assessed in this event.

**5. Agreement Expiration/Change in Terms.** If the Agreement is for a Fixed Rate and it is approaching the expiration date or whenever Supplier proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain the options going forward.

**6. Dispute Procedures.** In the event of a billing dispute or a disagreement involving Supplier's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Supplier by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by Customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS CUSTOMER SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS CUSTOMER MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Supplier. Supplier may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Supplier agree that title to, control of, and risk of loss to the electricity and gas supplied by under this Agreement will transfer from Supplier to Customer at the Sales Price(s). ARDLAS will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement as written, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and Supplier. Supplier makes no representations or warranties other than those expressly set forth in this Agreement, and Supplier expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Supplier will make commercially reasonable efforts to provide electricity and natural gas hereunder but does not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Supplier ("Force Majeure Events") may result in interruptions in service. Supplier will not be liable for any such interruptions caused by a Force Majeure Event, and Supplier is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 LDC (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Supplier's control.

**12. Liability.** The remedy in any claim or suit by Customer against Supplier will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Supplier or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Supplier shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, Customer should contact the LDC at one of the telephone numbers listed below. Customer should also contact local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-808-4844, National Fuel Gas of PA 1-800-444-3190, PPL 1-800-342-5775, Penelec/Ed 1-888-644-6777, Duquesne Light 1-888-363-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** Customer will receive one bill from the LDC, which will include the Supplier charges as well as the utility charges. The rules of the LDC will apply to the billing and collection of monies owed. Customer must make payment directly to and to the order of the LDC, for both utility transportation charges and Supplier's energy charges. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in the LDC's tariff. If Customer fails to remit payment when due or breaches any of the other terms and conditions of the Agreement, then, in addition to any other remedies Supplier may have, Supplier has the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that Customer does not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-877-6-RESPND (1-877-673-7763)  
www.respondpower.com

Major Energy, LLC  
100 Dutch Hill Rd., Suite 230  
Orangeburg NY 10962  
1-888-MAJOR-60 (1-888-625-6760)  
www.majorenergy.com

Electric Distribution Company (EDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Duquesne Light  
411 Seventh Avenue (5-1)  
Pittsburgh, PA 15219  
Duquesne Light 1-412-393-7100

PPL Electric Utilities  
827 Hausman Road  
Allentown, PA 18104  
1-800-342-6775

Met-Ed/Penelec  
P.O. Box 3667  
Akron, OH 44309  
1-800-543-7741

West Penn Power  
P.O. Box 3615  
Akron, Ohio 44309  
1-800-686-0021

Penn Power  
P.O. Box 3687  
Akron, OH 44309  
1-800-720-3600

Gas Distribution Company (GDC) and  
Provider of Last Resort:  
PECO ENERGY  
2301 Market Street  
Philadelphia, PA 19101  
PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
501 Technology Drive  
Canonsburg, PA 16317  
Phone Number: (888) 460-4332

UGI Gas  
2525 North 12th Street  
Suite 360  
Reading, PA 19605  
Phone: 1-800-609-4844

National Fuel Gas Distribution  
6363 Main Street  
Williamsville, NY 14221  
Phone: 1-800-385-3234

Public Utility Commission (PUC)  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Electric Complaint Hotline Number:  
1-800-692-7580

*Universal Service Program: Your LDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your LDC at the phone number listed above for your LDC.*



**RESPOND POWER LLC AND MAJOR ENERGY SERVICES LLC AFFILIATES DISCLOSURE STATEMENT** Penelec/West Penn Exhibit KLB-6

**Agreement to Sell and Purchase Energy.**

This is an agreement between the undersigned customer ("Customer") and Respond Power LLC, an electric generation supplier, and/or Major Energy Services LLC, a natural gas supplier (collectively and/or individually hereafter "Supplier"). Under this agreement (the "Agreement") Customer shall initiate service for electricity and/or gas and begin enrollment with Supplier. Subject to the terms and conditions of this Agreement, Supplier enrolling the account, and Customer's Local Distribution Company (the "LDC") accepting the enrollment, Supplier agrees to sell and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by Supplier, necessary to meet Customer's requirements based upon consumption data obtained by Supplier or the delivery schedule of the LDC. The amount of natural gas or electricity supplied under the Agreement is subject to change. Supplier is not affiliated with and does not represent the LDC. Supplier reserves the right to reject the Agreement. Supplier may submit an enrollment to the LDC up to 90 days after receiving the Agreement from Customer.

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-2163998

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118236

Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services. Historical rates can be found at <http://respondpower.com/terms.htm> or you can call our customer service phone number. Historical pricing is not indicative of present or future pricing.

**Right of Rescission** - Customer may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-973-7763; Major Energy for Gas at 1-888-626-6760; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges** - The charges for the natural gas product which is sold either in cubic foot or dekatherms.

**Distribution Charges** - The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges** - The charges for the electricity which is sold which will be billed in Kilowatt Hours (KWh).

**Generation Charge** - Charge for production of electricity.

**Transmission Charge** - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

**1. Basic Service Prices.** For its services, Supplier adds a profit margin to the price of natural gas or electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable.

**Gas**

**Variable Rate.** The price may vary from month to month. The rate is set by Supplier and reflects the commodity cost of gas as reflected by the NYMEX (last day settle ("Settle") or an average of the last 3 days prior to Settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas cost on the interstate and local distribution pipelines, estimated state taxes, and any other costs that Supplier incurs to deliver natural gas to the LDC's "City Gate" (where they receive the gas) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Supplier will bill Customer a unit price using the same units as the LDC (Mcf, Ccf or Therms). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** The price may vary from month to month. This rate is set by Supplier and reflects the Generation Charge, which includes the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity cost on the transmission system, estimated state taxes, and any other costs that Supplier incurs to deliver the electricity to the LDC's Transmission System (where they receive the electricity) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Supplier will bill a unit price using the same units as the LDC (KWh). The Fixed Rate may include estimated total state taxes but excludes Pennsylvania sales tax, if applicable. If Customer signs up through a Standard Offer Program, the fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

**2. Length of Agreement and Renewal Terms.** Beginning on a date set by the LDC, the Agreement will continue monthly unless stated otherwise on a Fixed Rate deal. For Fixed Rate service the Agreement shall be deemed affected by the LDC, and shall continue for 3, 6, 12, 18 or 24 months thereafter (the "Initial Term") or as set forth on the first page of this agreement. Unless otherwise agreed to, upon completion of the Initial Term, this Agreement will renew at a month-to-month variable rate, with no change to the remaining terms (the "Renewal Term")

**3. Penalties, Fees and Exceptions. Residential:** No early termination fee for variable rate service or fixed rate terms of 3 months or less. If a fixed rate lasts 4 months or longer, the termination fee is \$200. Commercial: If agreement is for a Fixed Rate, Customer may not cancel during the duration of the Fixed Rate agreement. If Customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Supplier in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the amount of kWh remaining for the duration under the Fixed Rate agreement as applicable, using the actual volumes received by Customer for the prior 12 month period as the volumes used in determining the estimated amount. However for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed rate service, unless otherwise agreed in writing if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed rate for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual consumption. The True-up will be billed to the customer in the form of a blended rate of the agreed upon fixed rate and the True-up value: for months 1-3 on the 4th bill, for months 4-6 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Supplier at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

**4. Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Supplier charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Supplier, and Supplier will also cancel the contract. In this event, if Customer was being served by Supplier under a Fixed Rate plan, Customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

If, due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Suppliers ability to supply electricity or natural gas in Pennsylvania, it becomes no longer feasible or prudent for Supplier to supply electricity or natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Supplier will notify Customer of this fact in writing and will advise of available choices. No penalty under Number 3 above will be assessed in this event.

**5. Agreement Expiration/Change in Terms.** If the Agreement is for a Fixed Rate and it is approaching the expiration date or whenever Supplier proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain the options going forward.

**6. Dispute Procedures.** In the event of a billing dispute or a disagreement involving Supplier's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Supplier by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request arbitration. Any claim by Customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or arbitration. THIS MEANS CUSTOMER SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION. Class Action Waiver - ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS CUSTOMER MAY NOT JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION OR LITIGATE IN COURT AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

**7. Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Supplier. Supplier may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

**8. Refund Policy.** As the commodity supplied under this Agreement is immediately used and consumed by Customer upon delivery, it is not practical to return the product subject this Agreement, and therefore refunds with respect to the commodity are not provided.

**9. Title.** Customer and Supplier agree that title to, control of, and risk of loss to the electricity and gas supplied by under this Agreement will transfer from Supplier to Customer at the Sales Point(s). Affiliates will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before this passes with respect to the electricity provided hereunder.

**10. Warranty.** This Agreement as written, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and Supplier. Supplier makes no representations or warranties other than those expressly set forth in this Agreement, and Supplier expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

**11. Force Majeure.** Supplier will make commercially reasonable efforts to provide electricity and natural gas hereunder but does not guarantee a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Supplier ("Force Majeure Events") may result in interruptions in service. Supplier will not be liable for any such interruptions caused by a Force Majeure Event, and Supplier is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, 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 LDC (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Supplier's control.

**12. Liability.** The remedy in any claim or suit by Customer against Supplier will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Supplier or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**13. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of Pennsylvania without regard to the application of its conflicts of law principles.

**14. Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Supplier shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

**15. Emergency Service.** In the event of an electricity or natural gas emergency or service interruption, Customer should contact the LDC at one of the telephone numbers listed below. Customer should also contact local emergency personnel. PECO Energy 1-800-841-4141, Columbia Gas of PA 1-800-460-4332, UGI Utilities 1-800-609-4844, National Fuel Gas of PA 1-800-444-3130, PPL 1-800-342-5775, Penelec/Mat-Ed 1-888-644-4877, Duquesne Light 1-888-393-7000.

**16. Parties Bound.** This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

**17. Billing and Payment.** Customer will receive one bill from the LDC, which will include the Supplier charges as well as the utility charges. The rules of the LDC will apply to the billing and collection of monies owed. Customer must make payment directly to and to the order of the LDC, for both utility transportation charges and Supplier's energy charges. Post-due charges may incur a late fee of 1.5% per month or the interest rate posted in the LDC's tariff. If Customer fails to remit payment when due or breaches any of the other terms and conditions of the Agreement, then, in addition to any other remedies Supplier may have, Supplier has the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 45 days' written notice, provided that Customer does not make payment or correct the problem that caused the termination within the 45-day period.

**18. Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**19. Contact Information.**

Respond Power, LLC 100 Dutch Hill Rd., Suite 230 Orangeburg NY 10982 1-877-9-RESPOND (1-877-973-7763) www.respondpower.com	Penn Power P.O. Box 3687 Akron, OH 44309 1-800-720-3600
Major Energy, LLC 100 Dutch Hill Rd., Suite 230 Orangeburg NY 10982 1-888-MAJOR-60 (1-888-626-6760) www.majorenergy.com	Gas Distribution Company (GDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street Philadelphia, PA 19101 PECO Energy 1-800-494-4000
Electric Distribution Company (EDC) and Provider of Last Resort: PECO ENERGY 2301 Market Street P.O. Box 8699 Philadelphia, PA 19101 PECO Energy 1-800-494-4000	Columbia Gas of Pennsylvania 501 Technology Drive Canonsburg, PA 15317 Phone Number: (888) 480-4332
PPL Electric Utilities 827 Hausman Road Allentown, PA 18104 1-800-342-5775	UGI Gas 2525 North 12th Street Suite 360 Reading, PA 19606 Phone: 1-800-609-4844
Mat-Ed/Penelec P.O. Box 3687 Akron, OH 44309 1-800-646-7741	National Fuel Gas Distribution 6363 Main Street Williamsville, NY 14221 Phone: 1-800-385-3234
West Penn Power P.O. Box 3615 Akron, Ohio 44309 1-800-686-0021	Public Utility Commission (PUC) P.O. Box 3265 Harrisburg, PA 17105-3265 Electric Competition Hotline Number: 1-800-682-7380

*Universal Service Program: Your LDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Contact your LDC at the phone number listed above for your LDC.*



**Agreement to Sell and Purchase Energy.**

This is an agreement between the undersigned customer ("Customer") and Respond Power LLC, an electric generation supplier, and/or Major Energy Services LLC, a natural gas supplier (collectively and/or individually hereafter "Supplier"). Under this agreement ("Agreement") Customer shall initiate service for electricity and/or gas and begin enrollment with Supplier. Subject to the terms and conditions of this Agreement, Supplier enrolling the account, and Customer's Local Distribution Company (the "LDC") accepting the enrollment, Supplier agrees to sell and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by Supplier, necessary to meet Customer's requirements based upon consumption data obtained by Supplier or the delivery schedule of the LDC. The amount of natural gas or electricity supplied under the Agreement is subject to change. Supplier is not affiliated with and does not represent the LDC. Supplier reserves the right to reject the enrollment. Supplier may submit an enrollment to the LDC up to 90 days after receiving the Agreement from Customer.

**Background**

Respond Power is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania. Our PUC license number is A-2010-216398.

Major Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas in Pennsylvania. Our PUC license number is A-2009-2118535.

Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates electric rates and services. The Federal Energy Regulatory Commission regulates transmission prices and services. Historical rates can be found at <http://respondpower.com/consumers>. You can call our customer service phone number. Historical pricing is not indicative of present or future pricing.

**Right of Rescission**—Customer may cancel this agreement at any time before midnight of the third business day after receiving this disclosure by contacting: Respond Power for Electricity at 1-877-873-7763; Major Energy for Gas at 1-888-825-8760; or in writing at the address listed below.

**Definitions**

**Basic Charges**

**Gas**

**Commodity Charges**—The charges for the natural gas product which is sold either in cubic feet or dekatherms.

**Distribution Charges**—The charges for the delivery of natural gas from the city gate to the consumer.

**Electric**

**Commodity Charges**—The charges for the electricity which is sold which will be billed in Kilowatt Hours (kWh).

**Generation Charge**—Charge for production of electricity.

**Transmission Charge**—Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Terms of Service**

1. **Basic Service Prices.** Savings are never guaranteed. For its services, Supplier adds a profit margin to the price of natural gas or electricity. There is no limit to the price and it may be higher than the utility. Commodity charges exclude Pennsylvania sales tax, if applicable. There is a monthly management fee, as indicated in the contract summary and/or the T&P, on all pricing options for both Gas and Electricity, separately.

**Gas**

**Variable Rate.** The price may vary from month to month. The rate is set by Supplier and reflects the commodity cost of gas as reflected by the NYMEX last day settle ("Settle") or an average of the last 3 days prior to settle, pipeline transportation from the production area (usually the Gulf of Mexico), natural gas cost on the interstate and local distribution pipelines, estimated state taxes, and any other costs that Supplier incurs to deliver natural gas to the LDC's "City Gate" (where they receive the gas) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Major Energy will bill Customer a unit price using the same units as the LDC (Mcf, Ccf or Therms). The Fixed Rate may include estimated local state taxes but excludes Pennsylvania sales tax, if applicable.

**Electric**

**Variable Rate.** The price may vary from month to month. This rate is set by Supplier and reflects the Generation Charge, which includes the PJM Day-Ahead Market, installed capacity (the cost of reserve or standby power), electricity lost on the transmission system, estimated state taxes, and any other costs that Supplier incurs to deliver the electricity to the LDC's Transmission System (where they receive the electricity) plus a profit margin.

**Fixed Rate.** This is a rate that does not change over a fixed period of time. Supplier offers various lengths of time for Fixed Rates. Typically, most terms are either for 3, 6, 12 or 24 months and Supplier will bill a unit price using the same units as the LDC (kWh). The Fixed Rate may include estimated local state taxes but excludes Pennsylvania sales tax, if applicable. If Customer signs up through a Standard Offer Program, the fixed rate will be \_\_\_\_\_ per kWh for the next 12 months.

2. **Length of Agreement and Renewal Terms.** Beginning on a date set by the LDC, the Agreement will continue monthly unless stated otherwise on a Fixed Rate deal. For Fixed Rate service this Agreement shall not terminate or be terminated regarding the change of Customer's provider to Supplier is deemed effective by the LDC, and shall continue for 3, 6, 12, 18 or 24 months thereafter (the "Initial Term") or as set forth on the first page of this agreement. Unless otherwise agreed to, upon completion of the Initial Term, this Agreement will renew at a month-to-month variable rate, with no change to the remaining terms (the "Renewal Term").

3. **Penalties, Fees and Exceptions, Residential:** No early termination fee for variable rate service or fixed rate terms of 3 months or less. If a fixed rate lasts 4 months or longer, the termination fee is \$200. Commercial: If agreement is for a fixed rate, Customer may not cancel during the duration of the Fixed Rate agreement. If Customer cancels Fixed Rate agreement during the Fixed Rate term, then the Customer shall pay Respond Power, in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the estimated amount of kWh remaining for the duration under the Fixed Rate agreement and/or Customer shall pay Supplier in addition to any other applicable charges, a cancellation fee equivalent to the greater of (a) \$500 or (b) 2¢ per kWh multiplied by the amount of volume remaining for the duration under the Fixed Rate agreement as applicable, using the actual volume received by Customer for the prior 12-month period as the estimated amount. However, for all residential customers, the early termination fee will be capped at \$200. This Fee will be due 15 days after cancellation of contract. There is NO cancellation fee for Standard Offer Programs. For fixed rate service, unless otherwise agreed in writing if usage in any month exceeds the level of usage in the same month in the previous year ("Base Load") by ten percent or more, the Customer will be charged a variable price for all usage in excess of the Base Load and the fixed rate for usage up to the Base Load ("True-up"). If the usage in any month falls by ten percent or more below the Base Load, the Customer will be charged the fixed price for all usage and shall be charged for hedging, cash out costs, settlement or balancing costs related to the positive difference between the Base Load and actual usage. The True-up will be billed to the customer in the form of a line item of the agreed upon fixed rate and the True-up value; for months 1-3 on the 4th bill, for months 4-8 on the 7th bill, for months 7-9 on the 10th bill, for months 10-11 on the 12th bill, and for month 12 as a separate invoice. If there is a material adverse change in the business or financial condition of Customer (as determined by Supplier at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Major may terminate this Agreement.

4. **Cancellation Provisions.** If Customer cancels this agreement, then Customer is liable for all Supplier charges until Customer returns to the LDC or goes to another supplier. There are no cancellation fees for Variable Rate customers.

If Customer's electric or gas service is terminated by the LDC for reasons of non-payment or for any other reason, this will automatically void the contract between Customer and Supplier, and Supplier will also cancel the contract. In this event, Customer will be served by Supplier under a Fixed Rate plan. Customer will still be liable for the Fixed Rate penalty as explained above in Number 3.

5. **Due to significant changes in the structure of the deregulated Pennsylvania electric or natural gas market or for any other reason relevant to Suppliers ability to supply electricity or natural gas in Pennsylvania, it becomes no longer feasible or practical for Supplier to supply electricity or natural gas in Pennsylvania and must leave the market as an electric or natural gas supplier, then Supplier will notify Customer of this fact in writing and will advise of available choices. No penalty under Number 3 above will be assessed in this event.**

6. **Agreement Expiration/Change in Terms.** If the Agreement is for a Fixed Rate and it is approaching the expiration date or whenever Supplier proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain the options going forward.

6. **Dispute Procedures.** In the event of a billing dispute or a disagreement involving Supplier's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact Supplier by telephone or in writing as provided. The dispute or complaint may be submitted by either party at any time to the PUC. If the parties cannot resolve the dispute within 45 days, either party may request mandatory arbitration. Any claim by Customer (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) must be resolved by the PUC or mandatory arbitration as discussed below.

**Mandatory Arbitration.** Any claim, dispute or controversy, regarding any contract, tort, lawsuit, or otherwise ("Claim"), arising out of or relating to this Agreement or the relationships among the parties hereto shall be resolved by one arbitrator through binding arbitration administered by

the American Arbitration Association ("AAA"), under the AAA Commercial or Consumer rules, as applicable, in effect of the time the Claim is filed ("AAA Rules"). Copies of the AAA Rules and forms can be located at [www.adr.org](http://www.adr.org), or by calling 1-800-778-7879. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any such suit may be brought only in Federal District Court for the District, or if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver".

**Class Action Waiver.** Any Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any entity or person not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY SHOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM, AND TO BE A PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

7. **Assignment.** Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of Supplier. Supplier may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement and may assign this Agreement to another energy supplier, energy services company or other entity as authorized by the Pennsylvania PUC.

8. **Refund Policy.** As the commodity supplied under this Agreement is immediately used and therefore refunds with respect to the commodity are not provided.

9. **Title.** Customer and Supplier agree that title to, control of, and risk of loss to the electricity and gas supplied by under this agreement will transfer from Supplier to Customer at the Sales Point(s). All risks will inhere and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the electricity provided hereunder.

10. **Warranty.** This Agreement as written, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and Supplier. Supplier makes no representations or warranties other than those expressly set forth in this Agreement, and Supplier expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

11. **Force Majeure.** Supplier will make commercially reasonable efforts to provide electricity and natural gas to Customer upon delivery. It is not practical to require a continuous supply of electricity and natural gas to Customer. Certain causes and events out of the control of Supplier ("Force Majeure Events") may result in interruptions in service. Supplier will not be liable for any such interruptions caused by a Force Majeure Event, and Supplier is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbance, acts of any governmental authority, accidents, environmental disputes or problems, required maintenance work, inability to access the local distribution utility system, non-performance by the LDC (including, but not limited to, a facility outage on its electric distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond Supplier's control.

12. **Liability.** The remedy in any claim or suit by Customer against Supplier will be solely limited to direct actual damages or any damages allowed by law. All other remedies at law or in equity including class-action lawsuits are hereby waived. In no event will either Supplier or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

13. **Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall be exclusively in the State of New York. This agreement shall be modified by the laws of the State of New York. This Agreement will not be subject to the application of its conflicts of law principles.

14. **Regulatory Changes.** This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, tariff, ICAP market, or regulatory structure ("Regulatory Change") which impacts any term, condition or provision of this Agreement including, but not limited to price, Supplier shall have the right to modify this Agreement to reflect such Regulatory Change by providing 15 days' written notice of such modification to the Customer.

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18. **Email.** Providing email address constitutes acceptance of Customer's enrollment in the monthly e-newsletter.

**Contact Information.**

Respond Power, LLC  
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 Orangeburg NY 10962  
 1-877-8-RESPND (1-877-873-7763)  
[www.respondpower.com](http://www.respondpower.com)

Major Energy, LLC  
 100 Dutch Hill Rd., Suite 230  
 Orangeburg NY 10962  
 1-888-MAJOR-60 (1-888-825-8760)  
[www.majorenergy.com](http://www.majorenergy.com)

Electric Distribution Company (EDC) and  
 Provider of Last Resort:  
 PECO ENERGY  
 2301 Market Street  
 P.O. Box 8699  
 Philadelphia, PA 19101  
 PECO Energy 1-800-494-4000

Duquesne Light  
 411 Seventh Avenue (6-1)  
 Pittsburgh, PA 15219  
 Duquesne Light 1-412-393-7100

PPL Electric Utilities  
 827 Hausman Road  
 Allentown, PA 18104  
 1-800-342-5775

Met-Ed/Panetec  
 P.O. Box 3887  
 Akron, OH 44309  
 1-800-545-7741

West Penn Power  
 P.O. Box 3615  
 Akron, Ohio 44309  
 1-800-686-0021

Penn Power  
 P.O. Box 3687  
 Akron, OH 44309  
 1-800-720-3600

Gas Distribution Company (GDC) and  
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 PECO ENERGY  
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 Philadelphia, PA 19101  
 PECO Energy 1-800-494-4000

Columbia Gas of Pennsylvania  
 501 Technology Drive  
 Canonsburg, PA 15317  
 Phone Number: (888) 460-4332

UGI Gas  
 2525 North 12th Street  
 Suite 980  
 Reading, PA 19605  
 Phone: 1-800-609-4844

National Fuel Gas Distribution  
 6363 Main Street  
 Williamsville, NY 14221  
 Phone: 1-800-365-3234

Public Utility Commission (PUC)  
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 Harrisburg, PA 17105-3285  
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