

Terms of Service Fixed Rate Products

Terms of Service

This Terms of Service Agreement (Agreement) explains the details of your electric service from CPL Retail Energy, LP (PUCT Certificate No. 10023). Your specific Retail Electric Provider (REP) can be found on your Electricity Facts Label (EFL). If you accept this Agreement, there's nothing else that you need to do. To cancel this Agreement at any time without penalty, please read "Your Right to Cancel." By accepting this Agreement you're giving us the right to supply electricity to all of the electric service accounts under your name or address, which will be transferred to CPL Retail Energy.

CUSTOMER INFORMATION: You give us the right to use any information that we think we will need or find helpful to provide the best possible electric service, which may include address, telephone number, account numbers, historical usage data, payment and credit history and other information, whether from you, your transmission and distribution service provider (TDSP), or current retail electric provider (REP).

OUR CONTACT INFORMATION:

CPL Retail Energy, LP: CPL Retail Energy Customer Service Representatives are available to help you Monday through Saturday from 8:00 a.m. to 8:00 p.m. CST. Call us toll-free at 1-866-322-5563, or write to us at CPL Retail Energy, P.O. Box 180, Tulsa, OK 74101-0180. Fax us toll-free at 1-800-666-8867, view other products and services at www.cplretailenergy.com, or e-mail us at customerhelp@cplretailenergy.com.

TERM OF AGREEMENT: This Agreement will be effective as of your first scheduled meter read date following completion of enrollment with us. Unless terminated as outlined in this Agreement, your service will continue for the term specified in the Electricity Facts Label (EFL) until the end of this term at which time you can choose another product with us, or choose another electricity provider.

PRICING:

Residential Customers: The price you will pay us for electricity during the initial plan term is a fixed rate as provided for in the Electricity Facts Label. The total average price per kilowatt-hour (kWh) includes the costs for electricity generation, monthly kWh usage, a monthly customer charge and costs of delivery of electricity to your residence, and is exclusive of state and local taxes and reimbursement for the state miscellaneous gross receipts tax. To learn more about specific pricing information, see the "Electricity Facts Label".

Small Commercial Customers: The price you will pay us for electricity during the initial plan term is a fixed rate as provided for in the Electricity Facts Label. The total average price per kilowatt-hour includes the costs for electricity generation, monthly kWh usage, monthly customer charge or costs of delivery of electricity to your premise, and is exclusive of state and local taxes and reimbursement for the state miscellaneous gross receipts tax. To learn more about specific pricing information, see the "Electricity Facts Label". Demand charges (if applicable) are assessed by your TDSP and passed onto your monthly invoice. Demand charges are based on each customer's maximum 15-minute demand on the TDSP distribution system each month. Demand is measured in kilowatts (kW). Customers are billed according to kW of demand for their rate.

Residential and Small Commercial Customers: Your price is subject to change and may increase during the term of this Agreement for any reason to reflect actual changes in: (1) the TDSP charges; (2) changes to the ERCOT or Texas Regional Entity (TRE) administrative fees; (3) changes resulting from federal, state or local laws that impose new or modified fees or costs on a REP that are beyond the REP's control; or (4) we determine in our sole discretion that the rate class or type of service originally designated by ERCOT, us, or you is incorrect.

We will notify you at least 30 days (or one billing cycle) prior to the end of the initial term with a contract expiration notice. At the end of your initial term, unless a renewal term greater than one month is established with your affirmative consent, your Agreement will expire. If you take no action your service will automatically continue under the CPL Direct Electricity Plan, a variable price product, which is a month-to-month plan with no cancellation penalty. While your electricity price under the variable price product will not change more than once a month, it may vary on a month-to-month basis as determined by us. The variable price will not increase more than 30% over the previous month's price. Your actual price will be shown on each monthly statement, and will be used to calculate your monthly bill amount based on your actual electricity usage.

The price of the variable price product is subject to change and may increase without notice for any reason, including but not limited to if: (1) there are changes to TDSP charges; (2) there are changes to the ERCOT or Texas Regional Entity (TRE) administrative fees; (3) changes resulting from federal, state or local laws that impose new or modified fees or costs on a REP that are beyond the REP's control; (4) we determine in our sole discretion that the rate class or type of service originally designated by ERCOT, us, or you is incorrect; or (5) we determine in our sole discretion that the price should change, and subject to the provisions in the attached "Electricity Facts Label". Pricing

features and product details of the variable price product can also be changed under the Changes to Terms of Service provision of this Agreement. Nothing in this section shall preclude us from offering a new contract to you at any other time during the contract term.

In addition, you may be required to pay nonrecurring fees and charges as required or allowed by Public Utility Commission of Texas (PUCT) rules, including, but not limited to, fees and charges related to establishing, switching, disconnecting, reconnecting, or maintaining electric service or equipment. Charges for required, nonrecurring fees will be listed as a separate line item on your monthly bill. Please refer to the attached "Terms of Service – Typical Fees & Charges" document for more detailed information. All bills for electric service will include applicable federal, state, and local taxes. Tax-exempt customers must provide us with appropriate exemption certificates before assessment and collection of taxes can be waived. For additional price information, see the attached "Electricity Facts Label."

CHANGES TO TERMS OF SERVICE: Except as indicated, we will first send you a written notice at least 14 days in advance before making any changes to this Agreement. Written notice will be provided through a separate document or on your bill. Notice is not required for a change that benefits you. This written notice will be clearly labeled "Important Notice Regarding Changes to Your Contract." If you're satisfied with the changes, there's nothing else you have to do to continue to receive service. If you find the changes unacceptable, you may choose another energy company before the changes go into effect, without charge or penalty. The Terms of Service, Your Rights As A Customer (YRAC), or EFL shall be provided to you whenever a change is made to the specific document and upon your request, at any time free of charge. Please remember that cancelling this Agreement does not excuse you from paying all outstanding balances on your account.

YOUR RIGHT TO CANCEL: If you are switching to us from another REP, you can cancel this Agreement without charge or penalty, but you must do so within three (3) federal business days of receiving this Agreement. If you accept this Agreement, then no further action is necessary. You may also cancel without penalty if you move to another location and provide evidence of the move, such as a forwarding address and any other reasonable evidence that you no longer occupy the service location, and you agree to provide us with at least 14 days advance notice of your move date. To cancel, contact us via the information below:

CPL Retail Energy by telephone toll-free at 1-866-322-5563, Monday through Saturday from 8:00 a.m. to 8:00 p.m. (CST), by fax 1-800-666-8867, or email us at customerhelp@cplretailenergy.com.

Be sure to include your name, address, phone number, ESI ID or account number, and Social Security number. If you cancel for any reason other than those specifically stated to be without penalty, you will owe us an early cancellation fee in the amount provided for in the Electricity Facts Label. If you move without canceling this Agreement, you will remain responsible for payment of all outstanding balances and charges on your account until service is terminated.

OUR RIGHT TO CANCEL: By signing up with us, you are affirming to us that you have provided us with your correct and complete name, address and contact information and you do not have any outstanding balance with us or our affiliated providers: Direct Energy (DE), or WTU Retail Energy (WTU). If there is any evidence that any of these statements are or become untrue or you otherwise provide fraudulent or misrepresented information, we may terminate this Agreement and your service. Also, if for whatever reason, it becomes uneconomical or if we are unable to continue this Agreement for any reason, we may cancel after giving you a 14-day written notice. Cancellation of this Agreement doesn't excuse you from paying for all outstanding balances on your account.

OUR RIGHT TO REFUSE SERVICE: We may refuse to give you electric service for the reasons specified in §25.477 ("Refusal of Electric Service" at <http://www.puc.state.tx.us/rules/subrules/electric/25.477/25.477.pdf>) of the PUCT Substantive Rules and the Texas Utility Code §17.008 ("Protection of Residential Electric Service Applicants and Customers" at <http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB00412F.HTM>).

OUR RIGHT TO DISCONNECT YOUR ELECTRIC SERVICE: WE MAY DISCONNECT YOUR ELECTRIC SERVICE IF YOU DO NOT PAY YOUR DEPOSIT OR BILL IN FULL BY THE DUE DATE. We will notify you at least 10 calendar days before we disconnect your electric service. We may disconnect your electric service without prior notice immediately if: (1) there is an existence of a known dangerous condition; (2) where service is connected without authority by a person who has not made application for service; (3) where service is reconnected without authority after disconnection for nonpayment; (4) where there has been tampering with equipment; or (5) where there is evidence of theft of service.

ESTABLISHING A NEW ACCOUNT: If you don't meet one or more of our credit requirements, we have the right to collect security deposits. Our credit requirements are:

Residential Customers: 1) You have a good credit rating or report with your previous energy company or a consumer reporting agency and such proof or written reference can be provided to us as defined by the Federal Trade Commission; 2) You are over the age of 65 and are not currently late paying your electric bill with your previous energy company; 3) You have not been late paying an electric bill more than once during the last year; 4) You are a victim of family violence and can send us a certification letter developed by the Texas Council on Family Violence as evidence; 5) You are considered medically indigent and can send us the proper documentation each year you are eligible; or 6) You haven't had your electric service terminated or disconnected for not paying a bill during the last year of service. For customers who enroll more than one premise/Electric Service Identifier (ESI-ID) with us, we may require a security deposit for each premise/ESI-ID. If service

to one or more of the premises/ESI-IDs is disconnected for any reason, once we are no longer your provider of record, we may apply any deposit amount you've paid, plus any accrued interest, to any outstanding balances on your account.

Small Commercial Customers: 1) You have a good credit rating or report with your previous energy company or a consumer reporting agency and such proof or written reference can be provided to us as defined by the Federal Trade Commission; 2) You have not been late paying an electric bill more than once during the last year; or 3) You haven't had your electric service terminated or disconnected for not paying a bill during the last year of service. For customers who enroll more than one premise/Electric Service Identifier (ESI-ID) with us, we may require a security deposit for each premise/ESI-ID. If service to one or more of the premises/ESI-IDs is disconnected for any reason, once we are no longer your provider of record, we may apply any deposit amount you've paid, plus any accrued interest, to any outstanding balances on your account.

SECURITY DEPOSITS:

Residential and Small Commercial Applicants: If you don't meet the requirements listed in "Establishing a New Account," we may ask you to pay a security deposit before receiving service. For residential applicants, any required deposit won't be more than the sum of the estimated billings for the next two months' billings or one-fifth of your estimated annual billing. After 12 months of continuous service with us, you can ask us to recalculate the security deposit amount based on your actual historical usage. If we require a deposit, residential applicants may be required to provide us with one of the following forms of security for each electric service account prior to receiving service: (1) a written letter of guarantee; or (2) a cash deposit. If we require a deposit, small commercial applicants may be required to provide us with one of the following forms of security for each electric service account prior to receiving service: (1) an irrevocable letter of credit from a financial institution; (2) a surety bond; or (3) a cash deposit equaling the sum of the next three months estimated billings, or one-fourth of your estimated annual billing.

Residential and Small Commercial Customers: We may ask you to pay a security deposit if one was not required when you first enrolled, if you were late paying your bill more than once during the last year of service or if you had service disconnected for non-payment during the last year of service. We may also ask you to pay an additional security deposit if your average bill over the last year is at least twice as much as the original estimated annual billing and you got a disconnection notice from us within the last year or your account has been disconnected within the previous 12 months. Also, we may send you a disconnection notice, along with the request for an additional security deposit, which you will have 10 days to pay after we issue the request.

Residential customers who have verified that they qualify for the state's low-income discount program may pay a security deposit exceeding \$50 in two equal installments. Please note: the first installment is due no sooner than ten days and the second installment due no sooner than forty days from the date we give you on the written notice of your security deposit requirement.

We will refund your security deposit when you've paid your bills on time for 12 consecutive months (residential customers) or 24 consecutive months (small commercial customers). This refund will show as a credit on your bill. If we are no longer your provider of record for any reason, we'll apply any security deposit amount, plus interest, first to your electric account, and then to any past due amount owed by you to us. If the result is a credit balance, you'll receive a final bill showing the credit balance. Any remaining credit balance will be either refunded to you or transferred to your new energy company if agreed between us and your new energy company. We will send you a final bill if there is still an outstanding balance on your account. If you pay us a security deposit, you'll receive interest on it once a year. The interest rate is set by the PUCT in December of the preceding year. If we hold the interest for less than a year, we'll prorate the interest and pay it based on the number of months we held the security deposit. No interest will be paid on security deposits held for less than 30 days.

BILLING AND PAYMENT TERMS: You will receive one monthly bill from us. Your payment on all bills is due within 16 days of the bill issuance date. Your monthly bill will include a monthly customer charge, a bundled rate, which includes the cost of generating electricity, kilowatt-hour usage and delivery of the electricity to your home or service address, and all applicable federal, state and local taxes and reimbursement for the state miscellaneous gross receipts tax. From time to time, your bill could include nonrecurring charges or other fees from your TDSP and us. For a list of these and other charges, please see the attached document called "Terms of Service - Typical Fees and Charges."

If you've signed up for any of our other products or services, including any non-commodity products or services, those charges will appear as separate items on your monthly bill. We may transfer any outstanding balance from your previous accounts with us to your current account. We will identify the delinquent balance and specific account or address on the bill. If you decide to keep a single electric service account for more than one service address, you'll be responsible for full payment on the entire account within 16 days of the billing issuance date. If you want to reapply for electric service from us and you still owe us money, or have an outstanding balance from a previous account, you must pay that amount in full, plus a security deposit, before continuing service with us. We have the right to include on your monthly bills any charges or credits necessary to correct: (1) previous estimated bills; (2) billing errors; (3) meter read errors; (4) miscalculations of taxes; and (5) any other errors or omissions, to the extent permitted by PUCT rules or applicable law.

We charge a 5% penalty on each late payment, unless you're qualified to receive a low-income discount as required under § 25.454(i)(3) ("Rate Reduction Program" at <http://www.puc.state.tx.us/rules/subrules/electric/25.454/25.454.doc>) of the PUCT's Substantive Rules. We

charge a \$25 fee on all returned checks, electronic payments or rejected credit card payments that weren't processed because of: (1) insufficient funds; (2) a lack of available credit; or (3) any other reasons for bank returns. Any check or electronic transfer returned by a bank for insufficient or unavailable funds will be treated as if we received no payment at all. If you have two or more returned payments in 12 months, you must pay us by money order or in cash. We are not responsible for notifying you of bounced checks or returned electronic payments. We may use consumer reporting agencies to report and retrieve your credit information or that of any other responsible person. We may also use debt collection agencies to collect any outstanding balances on your account. **We, or anyone acting on our behalf, reserve the right to assess and collect from you, as a current or former customer, or other responsible persons any and all costs, fees or charges related to the collection of delinquent balances, including but not limited to commissions, costs, fees and attorney's fees incurred when recovering outstanding balances through the use of any collection agency or an attorney.**

We may charge you a Collection Recovery Fee, a minimum of \$10, but will not exceed the maximum permitted by law, each time we initiate collections activity or provide you a written disconnection notice. The Collection Recovery Fee will be assessed regardless of whether your electric service is disconnected.

BILL PAYMENT OPTIONS/PAYMENT ARRANGEMENT PLANS: Bill Payment Options let you pay your monthly bills through a variety of options: (1) on our website (under the "Account Manager" feature); (2) by mail; (3) by completing our Automated Payment Program form that allows direct debit from a checking or a savings account; (4) by using a debit/credit card; (5) in person at one of our authorized pay stations, which can be found at (CPL Retail Energy) <http://www.cplretailenergy.com/EN/Billing-and-Payment-Center/Pages/Convenient-Ways-To-Pay.aspx>; or (6) by calling us at the number in "Our Contact Information". A charge may apply for making a payment at an authorized pay station. If you make a payment on an outstanding balance on your account at either an authorized pay station or by using a debit/credit card, you should call a Customer Service Representative at the number in "Our Contact Information" to verify the payment. This could help you to avoid having your electricity disconnected.

Please remember that failure to make an on-time payment while participating in one of our bill payment plans could result in not only removal from the payment plan but also collection activities and possible disconnection of your electric service. For more information on any of these payment assistance programs or bill payment assistance organizations, contact us.

Special Payment Arrangement Plans may be available based on your qualifications and eligibility. Here are some examples:

Budget Billing Program allows you to pay about the same amount for the electric service portion of your bill each month. The amount you pay is reviewed on a periodic basis and adjusted if necessary based on how much electricity you're actually using. After one full year, we will review your account for an annual true-up to see whether there is an over billing or under billing on your account. We will either: (1) credit your account for any over billed amount; (2) bill you for any under billed amount; or (3) recalculate your next 12 months payments under this Program based on any under billing or over billing. The budget billing program is available to anyone whose account has no outstanding balance, regardless of credit history. To enroll, you need 12 months of actual or estimated usage history at your current residence.

Deferred Payment Plan is an extended payment plan, if upon meeting our eligibility requirements, that lets you pay an outstanding balance in installments over a period of time. Before starting a Deferred Payment Plan, we may ask you to pay a small down payment (no more than 25% of the amount due). We may also ask you to pay the balance owed on the Deferred Payment Plan in equal amounts over no fewer than three billing cycles. If you establish a Deferred Payment Plan, we'll confirm the details of the plan in writing.

Payment Extension Plan gives you a short-term extension to pay the full amount of an outstanding balance on your account.

Bill Payment Assistance Programs distribute money through local organization(s) that provide energy bill payment assistance to qualifying customers with financial needs. Neighbor to Neighbor, funded through our corporate and voluntary customer donations, is a bill payment assistance program that specifically serves our customers.

TERMINATION OF AGREEMENT AND DISCONNECTION OF SERVICE: After the rescission period described above in the "Your Right to Cancel" section expires, you will be assessed a cancellation fee specified in your EFL if you cancel your service under this Agreement prior to the expiration of your initial term, or if your service is cancelled by us due to your breach of the terms of this Agreement. If you breach this Agreement for nonpayment or otherwise, we may terminate this Agreement and have your electricity disconnected. We will give you no less than 10 days written notice before terminating your Agreement and disconnecting your service in the event of non-payment. If we terminate this Agreement for any reason, you are still responsible for paying all outstanding bills. If you miss a payment or if we do not receive your payment by the bill due date, we will send you a disconnection notice no sooner than the first day after the bill was due.

After we issue a disconnection notice, you have two options available before the notice "due date": (1) you can contact us to find out if you qualify for a payment arrangement; or (2) you can pay us the full balance due. Otherwise, your electricity may be disconnected. You would then be liable for all fees and charges associated with any disconnection and reconnection of service. For more details, see "Terms of Service - Typical Fees and Charges" and "Your Rights as a Customer." If you choose to maintain a single electric service account for more than one

service address and you miss a payment for any of the service addresses, then all service addresses associated with that account may be included in the disconnection notice and subject to disconnection.

DISCRIMINATION: We will not deny service or require a prepayment or a security deposit for electric service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of a customer in a distressed geographic area, or qualification for low-income or energy-efficiency programs and services. For residential customers, we shall not use a credit score, a credit history, or utility payment data as the basis for determining the price for electric service for a product with a contract term of 12 months or less for an existing residential customer or in response to an applicant's request to become a residential customer.

FORCE MAJEURE: We will make commercially reasonable efforts to provide your electric service but do not guarantee a continuous supply of electricity. Certain causes and events are out of our reasonable control and may result in interruptions in service. We do not transmit or distribute electricity. We are not liable for damages caused by acts of God, changes in laws, rules, or regulations or other acts of any governmental authority (including the PUCT or ERCOT or TRE), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the TDSP or any other cause beyond our reasonable control.

LIMITATIONS OF LIABILITIES: LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES. NEITHER OF US WILL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. WE ARE NOT LIABLE FOR INTERRUPTIONS TO OR SHORTAGES OF ELECTRICITY SUPPLY NOR ANY ASSOCIATED LOSS OR DAMAGE RESULTING THEREFROM. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. THERE ARE NO THIRD-PARTY BENEFICIARIES TO THIS AGREEMENT.

REPRESENTATIONS AND WARRANTIES: THE ELECTRICITY PROVIDED UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARD OF THE APPLICABLE TDSP AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. WE MAKE NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND WE EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

MISCELLANEOUS: This Agreement is subject to applicable laws and supersedes any previous promises, understandings and agreements. If any provision of this Agreement is deemed invalid, illegal or otherwise unenforceable, we agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If a provision cannot be modified in a manner that would make it valid, legal and enforceable, the provision shall be severed from the Agreement, and all other provisions shall remain in full force and effect. Any failure on our part to enforce any of the terms of this Agreement or to exercise any right under these terms and conditions shall not be considered a waiver of our right to enforce each and every such term or exercise such right or any other right under these terms and conditions. You may not assign this Agreement without our prior written consent. We may: (a) transfer or sell this Agreement or your account in connection with any financing; (b) transfer this Agreement to any of our affiliates; (c) transfer or assign this Agreement to anyone succeeding to all or substantially all of our assets or of our business segment; and (d) transfer this Agreement to another PUCT-certified REP. After assignment, we will have no further obligations under this Agreement.