

**Contract and Disclosure Statement Summary  
New Jersey Residential Contract**

<p><b>Third Party Supplier Information:</b></p> <p><b>By entering into this contract, you are agreeing to purchase your electricity supply from this supplier.</b></p>	<p>Constellation NewEnergy, Inc. will be responsible for supply of your electricity. You can call us at our toll-free number 1-855-465-1244 between 8:00 AM and 8:00 PM eastern prevailing time (not including weekends or holidays) or email us at <a href="mailto:home@constellation.com">home@constellation.com</a> <a href="http://www.constellation.com">www.constellation.com</a> Constellation NewEnergy, Inc. 900A Lake Street Suite 2 Ramsey, NJ 07446 (BPU license # PSEL-0016)</p>
<p><b>Price Structure</b></p>	<p>Your contract price is fixed for the initial term of 36 months and includes costs associated with the generation and transmission of your electricity supply. After the initial term, your contract price will convert to a Variable Monthly Price. The Variable Monthly Price is calculated based on the Real Time Locational Based Marginal Price for the zone in which your account is located as published by the PJM Interconnection, averaged for all hours during the billing period, as further described in your Terms and Conditions. Your contract price includes New Jersey Sales and Use Tax.</p>
<p><b>Generation/supply Price</b></p>	<p>14.99¢/kWh during the initial term (first 36 months); Variable Monthly Price after the initial term, for at least 3 months.</p>
<p><b>Statement Regarding Savings:</b></p>	<p>During the term of your contract, the price may be higher or lower than the EDC's price-to-compare, which changes over time based upon your EDC's procurement structure. Therefore <u>savings are not guaranteed</u>.</p>
<p><b>Amount of time required to change from Constellation back to default service or another TPS.</b></p>	<p>Upon your termination of this contract, we will return you to being supplied by your local utility or alternate supplier at your next available meter read date. You will continue to remain responsible for payment for electricity and related costs and charges incurred under this contract through such meter read date.</p>
<p><b>Incentives</b></p>	<p>There are no offers currently available.</p>
<p><b>Right to Cancel/Rescind</b></p>	<p>You will receive a notice from your utility confirming your selection of Constellation as your supplier. <b>You will have seven (7) calendar days from the date of that confirmation notice to rescind this contract without penalty.</b> In addition, we provide a 90-day Guarantee Period to terminate this contract without an early termination fee, though you will be responsible for any charges associated with the electricity you use.</p>
<p><b>Contract Start Date</b></p>	<p>We will begin supplying electricity to your account on the next applicable meter read date after the utility process your enrollment.</p>
<p><b>Contract Term/Length</b></p>	<p>36 months</p>
<p><b>Cancellation/Early Termination Fees</b></p>	<p>If you terminate after the seven day rescission period and 90 day Guarantee Period end, you may be charged an early termination fee of \$150.</p>
<p><b>Renewal Terms</b></p>	<p>We will send you a renewal notice 30 days prior to expiration of this Agreement with new terms and price. If you do not affirmatively consent to the new terms, we shall either return you to being served by your utility or continue to serve you on a month-to-month term under current contract terms and price.</p>
<p><b>Distribution Company Information</b></p>	<p>Your local utility is responsible for the actual delivery of electricity to your home. In cases of emergencies relating to your service, such as a power outage, please call your local utility or visit their website: Public Service Enterprise Group Customer Service 1-800-436-7734 Emergency Number 1-800-880-7734 Website: <a href="http://www.state.nj.us/bpu/">www.state.nj.us/bpu/</a></p>

# TERMS & CONDITIONS

## NEW JERSEY ELECTRICITY SUPPLIER LICENSE NUMBER PSEL-0016

### Purchase of Electric Generation Service

Constellation NewEnergy, Inc. ("Constellation Energy") agrees to sell, and you agree to buy, your full requirements for residential electric generation service at the price and on the terms and conditions specified in this agreement (the "Contract"). Price and other terms of this Contract are subject to change as provided below. Constellation Energy reserves the right to revoke its electricity offer for any reason at any time prior to your acceptance of this Contract. Throughout this Contract, the words "you" and "your" refer to the customer who has signed this Contract. The words "we", "us" and "our" refer to Constellation Energy.

### Term: Fixed and Variable Pricing

You are signing up for 36 months of price protection. During this period, your fixed price for electric generation service will be 14.99 cents per kWh plus taxes. At the end of the 36 month period, your price will automatically convert to a Variable Monthly Price. Unless you take action to change plans, the Variable Monthly Price structure will remain in place for at least 0 months for a total contract term of 36 months. During the Variable Monthly Price period your price will fluctuate each month with the market price of electricity and will consist of the sum of a variable energy charge plus a retail service charge and any applicable taxes. The variable energy charge will be based on your usage as provided by the Utility multiplied by the Real Time Locational Based Marginal Price for the zone in which your account is located as published by PJM Interconnection, L.L.C. (the regional transmission organization responsible for the transmission grid in which your account is located) averaged for all hours during the billing period. The retail service charge will include all energy related charges incurred by us for serving your account during the applicable billing period, including, without limitation, congestion, capacity, transmission, line losses, ancillaries, renewable portfolio charges, and a reasonable profit margin determined by us from time to time in good faith. The retail service charge excludes any applicable taxes, which will be incorporated into the Variable Monthly Price charged on your invoice. The Variable Monthly Price does not include any fees, taxes or charges directly assessed by the Utility. The retail service charge may change for each billing period but will not exceed \$0.15 per kWh. Your price during the variable pricing period will reflect market conditions and supply costs which could result in a price higher or lower than the utility price. You can terminate without fee or penalty at any time after your 36 month fixed price protection period ends.

### Other Pricing Terms

The price charged for electric generation service under this Contract is reflective of competitive market conditions, was not set or approved by the New Jersey Board of Public Utilities and does not include any applicable taxes or local distribution company fees or charges which will be charged by your local distribution company responsible for service territory where you reside: Public Service Electric & Gas (the "Utility"). There is no charge for entering into this Contract or for terminating this Contract at the end of the then applicable Contract term as provided in the "Term; Fixed and Variable Pricing" and "Renewal" sections. Under certain other circumstances, you may be responsible for payment of an early termination fee as provided in the "Termination" section below.

### Rescission

You will receive a notice from your Utility confirming your selection of Constellation Energy as your electric power supplier and you will have 14 calendar days from the date of the confirmation notice to contact your Utility and rescind your selection. This Contract is not binding until the 14-day rescission period has expired and you have not rescinded the selection of Constellation Energy as your electric power supplier. Please contact us toll-free at 1-855-465-1244 if you have any questions regarding rescission.

### Net Metering

If you currently own or plan to install during the term of this Contract eligible renewable electrical generating facilities generating class 1 renewable energy as defined in N.J.A.C. 14:48.2 to supply all or part of your electricity usage and such generating facility is or will be net metered by the Utility you must notify us in order for us to determine your eligibility and to properly enroll or continue to serve you.

### Price Comparison

Please note that the Utility's tariff rates likely will change from time to time and therefore Constellation Energy cannot guarantee savings over the Utility's rates for the entire term of this Contract or any renewals. Savings are calculated against the current basic generation service fixed price summer tariff rates for rate class RS for Utility customers, which include transmission charges, but which we adjusted to exclude the 7% sales and use taxes that we will separately assess, as such tariffs are in effect June 1, 2011. Your savings may be lower if you are not on rate class RS. You may also consult your Utility's Price to Compare shown on your monthly invoice for consideration, however that rate includes taxes.

### Renewal

After the initial term and unless terminated by Constellation Energy or you as provided in the "Termination" section below, this Contract will automatically renew on a month-to-month basis at the Variable Monthly Price.

## Initiation of Service

THE PURPOSE OF THIS DOCUMENT IS TO AUTHORIZE CONSTELLATION ENERGY TO CHANGE YOUR ELECTRIC POWER SUPPLIER AND, BY SIGNING BELOW, YOU AUTHORIZE CONSTELLATION ENERGY TO UNDERTAKE WHATEVER STEPS NECESSARY TO ACCOMPLISH YOUR SWITCH. Constellation Energy will begin providing electric generation service to you on the next applicable meter read date after the Utility processes your enrollment and your service will continue throughout the term of this Contract. The Utility will notify you of the date on which your electric generation service from Constellation Energy will begin. Constellation Energy's electric generation service will be delivered to your residence using the Utility's electricity distribution wires. You represent and warrant that the electricity supply being purchased under this Contract is to be used solely for residential purposes. Constellation Energy's obligations under this Contract are conditioned on you providing complete and accurate information and on you remaining a Utility distribution customer throughout the term under the applicable residential electric rate class. **If you switch to being supplied by Constellation Energy while you are still under contract with another electric power supplier, such a supplier may require you to make an early termination payment. Therefore we recommend that you review your current contractual obligations before enrolling with us as your new electric power supplier.**

## Average Monthly Payment

We are offering Average Monthly Payment for our charges in addition to the Budget Billing offered by the Utility for Utility charges. You may elect Average Monthly Payment at any time by contacting our customer care department as long as you are not past due on your payments and are eligible for Utility consolidated billing. Average Monthly Payment allows you to pay your amounts due to us based on a daily average calculation of your prior months' charges by dividing your actual charges by the number of days in your invoice periods. More specifically, for each billing period we serve you we will determine a daily average charge by dividing our total actual charges for that period by the number of days in such billing cycle. When calculating your current bill we add up all daily average charges available for the last 24 billing cycles (including for the current month) and divide that amount by the number of billing months to determine the current daily average charge. We then multiply that current daily average charge by the number of days in the current billing cycle to determine your current bill amount. We will true up your account based on your actual charges upon termination of service or if you wish to discontinue Average Monthly Payment. We also reserve the right to true-up your charges if we materially over- or under-collected amounts payable to us. For more information or to sign-up on Average Monthly Payment, contact our customer care center at 1-855-465-1244.

## Billing and Payment

The cost of your electric generation service will be included on your bill from the Utility, and is due and payable when your Utility bill is due at the billing address provided in your Utility bill. You will be invoiced for Constellation Energy's charges under this Contract at the applicable price set forth in the "Term; Fixed and Variable Pricing" section above (or, during each month-to-month renewal period, under the current terms and conditions and pricing as set forth in the "Renewal" section above) multiplied by your electricity usage as measured by the Utility in kWh during the applicable billing period. You agree to accept the measurements as determined by the Utility for purposes of accounting for the electric power supplier under this Contract. If the Utility is unable to read your meter, the Utility will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill. Supplying you under this Contract is conditioned on the Utility accepting our enrollment of your account for consolidated billing by the Utility. If you are not eligible for consolidated billing, you need to remedy that restriction with the Utility before we can serve you. Should the Utility cease providing consolidated billing for your account and/or commence billing us for any charges relating to you, we will bill you and you will pay us for all such charges. You are no longer eligible for consolidated billing by the Utility if you are in arrears for payment for 60 or more days, at which point we reserve the right to terminate our Contract and may charge a termination fee of \$150.00. You will be billed additional charges, including taxes and charges to transmit and distribute the electricity to your home, from the Utility consistent with its filed tariffs. You are responsible for paying any new or increased taxes, fees or other charges imposed on us or you regarding transmission or distribution of the electricity during the term of this Contract. We will notify you if any new or increased taxes, fees or other charges are imposed. Constellation Energy reserves the right to change billing methods.

## Late or Insufficient Payment

When the Utility issues you a consolidated bill, all invoiced balances not paid in full by the due date are subject to the Utilities late payment policies and procedures. If Constellation Energy directly invoices you, you are required to pay our invoices within 20 days from the invoice date and we reserve the right to charge you interest for any past due invoice amount at 1.5% per month or the highest amount permissible under applicable law, whichever is less. In addition, you agree to pay us our costs incurred in collecting amounts owed us, including reasonable attorneys fees and returned check charges. If you make a payment for an amount less than the total amount due, we may accept such payment without prejudice to any other rights or remedies that we may have against you and we may apply it to your account(s) as a partial payment.

## Credit

Constellation Energy reserves the right to determine if your credit standing is satisfactory for originating or continuing electric generation service under this Contract. Consistent with applicable law, Constellation Energy uses uniform income, deposit and credit requirements in determining whether to offer service to our customers.

## Guarantee Period

You may terminate this Contract without incurring an early termination fee within 90 days after entering into it (the "Guarantee Period") by notifying the Utility that you would like to return to Utility service. You must also notify us in writing or by calling our customer care center at 1-855-465-1244. Upon your termination of this Contract during the Guarantee Period, we will return you to being supplied by the Utility at your next available meter read date and you will remain responsible for payment for electricity and related costs and charges incurred under this Contract through such meter read date. Any incentives we may offer in connection with you entering into this Contract will be provided to you after the Guarantee Period has expired without you terminating our Contract.

## Termination

Constellation Energy may terminate this Contract for any nonpayment or any other breach of this Contract upon 30 days prior written notice to you of such termination or if you are no longer eligible for Utility consolidated billing, in which cases you may be charged a termination fee of \$150.00. If you fail to cure within the 30 day notice period, we may terminate the Contract even if you subsequently cure the nonpayment or breach after such period has expired. Constellation Energy may also terminate this Contract upon 30 days prior written notice to you if you are no longer eligible for consolidated billing by the Utility or if, due to a change in law or other act beyond our reasonable control, we are no longer able to serve you. Either you or Constellation Energy may terminate this Contract during a month-to-month renewal period upon 30 days written notice effective as of the end of the next applicable meter read date after expiration of the required notice period. **You may terminate this Contract during the Guarantee Period in accordance the “Guarantee Period” section above without incurring an early termination fee.**

If you move, become disabled and are no longer able to pay for our services or die, this Contract may be terminated without penalty by giving us 48 hours prior written notice. You may also terminate this Contract prior to the end of the applicable term for your convenience by giving us not less than 30 days prior written notice, in which case you will be charged a termination fee of \$150.00. Constellation Energy waives such termination fee if it takes place during the period of time you are paying under the Variable Monthly Price as defined above. Upon any termination of this Contract, you will return to receiving standard offer service from the Utility unless you have selected another electric power supplier. The effective date of any termination will be the next applicable meter read date after expiration of the required notice period. Upon any termination, you will remain responsible for any unpaid balance as of the termination date plus any applicable termination fee. The delivery of electricity to you cannot be terminated or interrupted by the Utility as a result of any dispute between Constellation Energy and you but may be terminated by the Utility for nonpayment of Utility charges in accordance with applicable law. If the Utility purchases the right to receive your payments under this Contract, your payment obligations may become Utility charges for purposes of termination of service.

## Assignment, Address Change

Constellation Energy may assign, subcontract or delegate all or any part of our rights and/or obligations under this Contract, including your payment obligations under this Contract, without notice or your consent. You may not assign any of your rights or obligations under this Contract without our prior written consent. If you move, our Contract will terminate and you will be required to return to Utility service for at least one month for service at your new address after which period we would welcome the opportunity to serve you under a new Contract at your new address. You will be responsible for paying for all electricity supplied to your old address until the date this Contract is terminated in accordance with its terms.

## Change in Pricing and Other Terms

Notwithstanding any other provision in this Contract, unless a law requires otherwise, the material terms of this Contract can only be changed upon written agreement of both you and us. If we request such a change, Constellation will provide you notice of the changed prices and/or terms and conditions and you will have an opportunity to terminate this Contract without any further obligation by notifying us in writing within 30 days after receiving notice of the new prices and/or terms and conditions, in which case your electric generation service will terminate effective as of the next meter read date after expiration of the required notice period. You will remain responsible for any unpaid balance as of the termination date but we will not assess a termination payment.

## Information Release Authorization

Throughout the term, you authorize Constellation Energy to obtain information from the Utility that includes, but is not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electricity usage, rate classification, meter readings, characteristics of electricity service and, when charges hereunder are included on your Utility bill, billing and payment information from the Utility. You authorize Constellation Energy to release such information to third parties that need to know such information in connection with your electric generation service and to Constellation Energy's affiliates and subcontractors. These authorizations shall remain in effect as long as this Contract is in effect. You may rescind these authorizations at any time by either calling or providing written notice to us at the number and/or address provided below under the Contact Information section of the Contract. We reserve the right to reject your enrollment or terminate this Contract in the event these authorizations are rescinded, you fail to meet or maintain satisfactory credit standing as determined by us, or you fail to meet minimum or maximum threshold consumption levels as determined by us. If you fail to remit payment in a timely fashion, we may report the delinquency to a credit-reporting agency.

## Dispute Resolution and Class Action Waiver

If you have a billing or other dispute involving our service, please contact us at 1-855-465-1244. You must still pay your bill in full, but may deduct the specific amount in dispute while the charges remain in dispute. If the dispute cannot be resolved within 45 days, a complaint or request for an Alternate Dispute Resolution procedure may be submitted by either party by contacting the New Jersey Board of Public Utilities at 1-800-624-0241.

CONSTELLATION HOPES TO MAKE YOU A SATISFIED CUSTOMER, BUT IF THERE'S AN ISSUE THAT NEEDS TO BE RESOLVED, THIS SECTION OUTLINES WHAT'S EXPECTED OF BOTH CONSTELLATION AND YOU. BOTH YOU AND CONSTELLATION AGREE TO RESOLVE ALL DISPUTES RELATING TO OR ARISING OUT OF THE INTERACTIONS BETWEEN CONSTELLATION (INCLUDING OUR AFFILIATES, AGENTS, EMPLOYEES, DIRECTORS, OFFICERS AND ASSIGNS) ONLY BY ARBITRATION OR BY AN INDIVIDUAL ACTION IN SMALL CLAIMS COURT. THERE'S NO JUDGE OR JURY IN ARBITRATION, AND THE PROCEDURES MAY BE DIFFERENT, BUT AN ARBITRATOR CAN AWARD THE SAME DAMAGES AND RELIEF TO YOU AND MUST HONOR THE SAME TERMS IN THIS CONTRACT AS A COURT WOULD. IF THE LAW ALLOWS FOR AN AWARD OF ATTORNEYS' FEES, AN ARBITRATOR CAN AWARD THEM TOO. BOTH YOU AND CONSTELLATION ALSO AGREE THAT:

A) The federal arbitration act applies to this Agreement and governs any arbitration between you and Constellation. Prior to initiating any arbitration, you and Constellation both agree to try to resolve any dispute informally. To initiate informal dispute resolution, contact our customer care department in one of the ways identified in the Contact Information Section below. Constellation will assign someone to attempt to resolve the dispute.

B) If the dispute is unable to be resolved informally within ninety (90) days after the Party raising it informed the other in writing of the nature and basis of the dispute and made a written demand ("Demand"), either Party may seek formal arbitration. Any arbitration will be governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. The AAA Rules are available online at [adr.org](http://adr.org), or by calling the AAA at 1-800-778-7879. The arbitrator is bound by the terms of this Agreement and all issues are for the arbitrator to decide, except that issues relating to the scope and enforceability of the arbitration provision are for the court to decide. This dispute resolution provision does not preclude you from bringing any issues you may have to the attention of any governmental authorities.

C) YOU AND CONSTELLATION BOTH AGREE THAT THIS AGREEMENT DOES NOT ALLOW CLASS ACTIONS IN COURT OR CLASS ARBITRATIONS, EVEN IF THE AAA PROCEDURES OR RULES WOULD ALLOW SUCH PROCEDURES. RELIEF MAY BE AWARDED ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF WARRANTED BY THE PARTY'S INDIVIDUAL CLAIM. IF FOR SOME REASON, THE CLASS ACTION WAIVER IS UNENFORCEABLE THEN THE AGREEMENT TO ARBITRATE WILL NOT APPLY.

D) Any arbitration hearings will take place in the county of your billing address. If you are unable to pay the AAA filing, administration, and arbitrator fees for any arbitration properly initiated seeking damages up to \$10,000, Constellation will pay such amounts. Otherwise, the payment of these amounts will be governed by the AAA Rules. In addition, for claims less than \$10,000, any arbitration hearing may be held telephonically.

E) If the arbitrator issues you an award that is greater than the value of our last written settlement offer made prior to an arbitration hearing, then Constellation will pay you three times the amount of the award; and your attorney twice the amount of attorneys' fees, and reimburse any expenses reasonably incurred for pursuing your claim in arbitration. If the award in your favor is lower than our offer Constellation will only pay you the amount of the award. Any arbitration award will be final and binding and judgment confirming the award shall apply only to the specific case to enforce the award in that case.

F) IF FOR ANY REASON A CLAIM PROCEEDS IN COURT, YOU AND CONSTELLATION BOTH AGREE THAT BOTH PARTIES ARE WAIVING A RIGHT TO A JURY TRIAL. This dispute resolution provision shall survive termination of the Agreement.

G) Nothing in this Agreement shall impair your right to make an informal or a formal complaint to your applicable state Commission.

## Limitation of Liability

You agree that title shall pass at the point of interconnect of the ISO-controlled grid and the Utility, and that neither Constellation Energy nor any of its affiliates or subcontractors shall be liable for any damages or claims for matters within the control of the Utility or the ISO-controlled electricity grid, which include maintenance of electric lines and systems, service interruptions, loss or termination of service, deterioration of electric services, meter readings or injury to persons or damage to property caused by the delivery or supply of electricity. Neither Constellation Energy nor any of its affiliates or subcontractors will be responsible for any failure to commence or terminate electric generation service on the date specified herein due to any failure or delay in enrolling you with the Utility. Constellation Energy's liability shall be limited to direct actual damages only, which will not exceed the amount of your single largest monthly invoice during the preceding 12 months. In no event shall Constellation Energy or any of its affiliates or subcontractors be liable for any punitive, incidental, consequential, exemplary, indirect, third-party claims or other damages whether based on contract, warranty, tort, negligence, strict liability or otherwise, or for lost profits arising from any breach or nonperformance of this Contract. Nothing contained in this Contract shall constitute a waiver of any rights you have under New Jersey or Federal consumer protection laws.

## Force Majeure

We do not transmit or deliver electricity and certain causes and events out of our control ("Force Majeure Events") may result in interruptions in service. We will not be liable for any such interruptions or any other failure to perform under this Contract caused by a Force Majeure Event. We are not and will not be liable for damages caused by Force Majeure Events, including acts of God; acts of any governmental authority; accidents; strikes; labor disputes; required maintenance work; inability to access the Utility's system; non-performance by the Utility, including, but not limited to, a facility outage on its distribution lines; changes in laws, rules or regulations of any governmental authority; or any cause beyond our control.

## Miscellaneous

Except with respect to Constellation Energy's affiliates and subcontractors under the "Limitation of Liability" section, there are no third party beneficiaries of this contract. Any payments due under this Contract, and all provisions relating to the payment and collection thereof, shall survive termination for any reason. This Contract constitutes the entire agreement between you and Constellation Energy. No statement, promise or inducement made by either party not contained in this Contract shall be valid or binding. Any reference to days or periods shall mean calendar days.

## Contact Information

CONSTELLATION NEWENERGY, INC.'S NEW JERSEY ELECTRIC POWER SUPPLIER LICENSE NUMBER IS PESL-0016. Contact us with any questions between the hours of 8:00 a.m. and 8:00 p.m. eastern time on weekdays, except holidays. Our toll-free number is 1-855-465-1244. We can be reached via email at [home@constellation.com](mailto:home@constellation.com) or by mail at:

Constellation NewEnergy Inc.,  
1221 Lamar Street, Suite 750  
Houston TX, 77010.

Please contact us at this address or phone number to resolve any disputes regarding this Contract.

For emergencies or other inquiries relating to your service, such as a power outage, please call your local utility:

Public Service Electric & Gas Contact Information:

Emergencies: 1-800-880-7734

Customer Service: 1-800-436-7734

The New Jersey Board of Public Utilities Division of Consumer Relations toll free number is 1-800-624-0241 and their website address is <http://www.state.nj.us/bpu/>.