

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

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| <b>Third Party Supplier Information: By entering into this contract, you are agreeing to purchase your gas supply from this supplier</b> | Constellation NewEnergy – Gas Division, LLC will be responsible for supply of your gas. You can call us at our toll-free number 1-855-465-1244 between 8:00 AM and 6:00 PM eastern prevailing time (not including weekends or holidays) or email us at <a href="mailto:home@constellation.com">home@constellation.com</a> . Our website is <a href="http://www.constellation.com">www.constellation.com</a> and our address is Constellation NewEnergy – Gas Division, LLC, 116 Village Boulevard, Suite 200, Princeton, NJ 08540 (BPU license GSL-0101). |
| <b>Price Structure</b>                                                                                                                   | Your contract price is <b>fixed</b> for the initial term of 18 Month(s) and includes costs associated with the generation and transmission of your gas supply. After the initial term, your contract price will convert to a Monthly Variable Price, which will be set in Constellation’s discretion and may vary from month to month. The Monthly Variable Price is further described in your Terms and Conditions. Note that weather changes can affect the Monthly Variable Price. Your contract price includes New Jersey Sales and Use Tax.          |
| <b>Generation/supply Price</b>                                                                                                           | 91.90 ¢/Therm during the initial term (first 18 Months); Monthly Variable Price after the initial term, month to month.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Statement Regarding Savings:</b>                                                                                                      | During the term of your contract, the price may be higher or lower than the LDC's price-to-compare, which changes over time based upon your LDC's procurement structure. Therefore <u>savings are not guaranteed</u> .                                                                                                                                                                                                                                                                                                                                    |
| <b>Amount of time required to change from Constellation back to default service or another TPS.</b>                                      | 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 gas and related costs and charges incurred under this contract through such meter read date.                                                                                                                                                                                                                                     |
| <b>Right to Cancel/Rescind</b>                                                                                                           | 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 gas you use.                                                                                                                  |
| <b>Contract Start Date</b>                                                                                                               | We will begin supplying gas to your account on the next applicable meter read date after the utility process your enrollment.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Contract Term/Length</b>                                                                                                              | 18 Months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Cancellation/Early Termination Fees</b>                                                                                               | 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.                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Renewal Terms</b>                                                                                                                     | At the end of the initial term and unless terminated by you or Constellation as provided in the "Termination" section of this contract, this contract will automatically renew on a month to month basis at a Monthly Variable Price.                                                                                                                                                                                                                                                                                                                     |
| <b>Distribution Company Information</b>                                                                                                  | Your utility is responsible for and will continue to bill you for the actual delivery of gas to your home. In case of emergency relating to your service, such as a gas outage, please call your local utility or visit their website:<br>Public Service Electric & Gas Customer Service 1-800-436-7734; Emergency Number 1-800-880-7734; Website: <a href="http://www.pseg.com">http://www.pseg.com</a>                                                                                                                                                  |

**\*You may obtain a Spanish version of this document by contacting us at 1-855-465-1244 between 8:00 AM and 6:00 PM eastern prevailing time except holidays and weekends.**

# Constellation NewEnergy – Gas Division, LLC

## TERMS & CONDITIONS

### NEW JERSEY NATURAL GAS SUPPLIER LICENSE NUMBER GSL-0101

## Purchase of Natural Gas Supply Service

Constellation NewEnergy – Gas Division, LLC ("Constellation") agrees to sell, and you agree to buy, your full requirements for residential natural gas supply service at the price and on the terms and conditions specified in this agreement and your Enrollment Form, Welcome Letter or renewal notice (collectively, the "Contract"). You remain responsible for paying for all natural gas consumed prior to the effective date of the switch to Constellation. Price and other terms of this Contract are subject to change as provided below. Constellation reserves the right to revoke its natural gas 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 entered into this Contract. The words "we", "us" and "our" refer to Constellation.

## Term and Renewal

Your natural gas supply service from Constellation will begin on the next applicable meter read date after the Utility processes your enrollment and your service will continue for the term indicated in your Enrollment Form or Welcome Letter (the "Initial Term"). At the end of the Initial Term and unless terminated by you or Constellation as provided in the "Termination" section below, this Contract will automatically renew on a month to month basis at a Monthly Variable Price. The Monthly Variable Price will be a variable price that may or may not change at our discretion for each calendar month during which Constellation serves your accounts. The Monthly Variable Price will be set in Constellation's discretion and may vary from month to month based on Constellation's assessment of applicable market conditions, historic and projected supply and hedging costs, prior months pricing and balancing costs, projected average customer bill amounts and utility pricing. The Monthly Variable Price may include the following additional costs: balancing costs, transportation costs, storage costs, pooling charges, credit costs and a profit margin determined in Constellation's discretion that may or may not vary from month to month. **The Monthly Variable Price can be inherently volatile and may exceed available fixed rates, utility rates and other third party supplier rates, so consideration should be given to whether you would prefer a new fixed rate versus the potential volatility and increased costs of month to month variable rates.** The Monthly Variable Price does not include any fees, taxes or charges directly assessed by the Utility. You can terminate without fee or penalty at any time after the Initial Term ends.

## Price

The rate for all the natural gas you buy is stated in your Contract and Disclosure Statement Summary and is guaranteed not to change during the Initial Term. This price may be higher or lower than the Utility's price in any month.

## Other Pricing Terms

The price set forth above includes New Jersey Sales and Use Tax. The price charged for natural gas supply service under this Contract 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 Utility. Savings are not guaranteed. **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 and Renewal" section. Under certain other circumstances, you may be responsible for payment of an early termination fee as provided in the "Termination" section below.** In addition, if you are receiving a separate bill from Constellation for your natural gas supply service, you will be charged a monthly customer service fee that won't exceed \$5.95 per month.

## Rescission

You will receive a notice from your Utility confirming your selection of Constellation as your natural gas supplier. You will have seven (7) calendar days from the date of the confirmation notice to contact your Utility and rescind your selection. **This Contract is not legally binding until the applicable rescission period has expired and you have not rescinded the selection of Constellation as your natural gas supplier.** Please contact us toll-free at (855) 465-1244 if you have any questions regarding rescission.

## Guarantee Period for Residential Customers

If you are a residential customer, you may terminate this Contract without incurring an early termination fee within ninety (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 (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 natural gas and related costs and charges incurred under this Contract through such meter read date. Any incentives we 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.

## Initiation of Service

THE PURPOSE OF THIS DOCUMENT IS TO AUTHORIZE CONSTELLATION TO CHANGE YOUR NATURAL GAS SUPPLIER AND, BY ENTERING INTO THIS CONTRACT, YOU AUTHORIZE CONSTELLATION TO UNDERTAKE WHATEVER STEPS NECESSARY TO ACCOMPLISH YOUR SWITCH. Constellation will begin providing natural gas supply 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 natural gas supply service from Constellation will begin. It may take up to two (2) billing cycles for the Utility to process your switch. Constellation's natural gas supply service will be delivered to your residence or business using the Utility's distribution system. Constellation'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. **If you switch to being supplied by Constellation while you are still under contract with another natural gas 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 natural gas supplier.** Constellation does not charge for starting or stopping gas supply service if done within the terms of the Contract.

## Billing and Payment

The cost of your natural gas supply service will either be included on your bill from the Utility or in a separate bill from Constellation. If Constellation sends you a separate bill, billing will be done monthly and payment will be due within twenty (20) days of the invoice date. You will be invoiced for Constellation's charges under this Contract at the applicable price set forth in the "Price" 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 natural gas usage as measured by the Utility in terms during the applicable billing period. You agree to accept the measurements as determined by the Utility for purposes of accounting for the natural gas supplied 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. 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 will be billed additional charges, including taxes and charges to transport the natural gas to your home or business, 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 transportation of the natural gas during the term of this Contract. We will notify you if any new or increased taxes, fees or other charges are imposed. Constellation reserves the right to change billing methods. You may withhold payment of any disputed charges while the charges remain in dispute.

## Budget Billing

If you are eligible for and have chosen Constellation's Budget Billing option, Constellation will estimate your annual costs for natural gas for the upcoming year based on your previous bills and what Constellation expects your future energy costs will be based on your chosen rate plan. Approximately every three (3) months, Constellation will review your account and change the estimated volume if it is significantly different from the amount you actually use. This will ensure that you are not paying significantly higher or lower payments than are justified by the volume of natural gas that you are using. The Utility will continue to read your meter and will give the usage information to Constellation to make certain that Constellation is accurately determining your usage. At least every twelve (12) months, Constellation will calculate the difference between what you have already paid and what your actual energy costs have been during the year. If you have paid more than your actual costs, Constellation will adjust the amount of future budget billing or credit the excess amount to the Constellation portion of your bill. If you have paid less than your actual costs, Constellation will adjust the amount of future budget billing or bill you for the difference.

## 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 Utility's late payment policies and procedures. If Constellation directly invoices you, you are required to pay our invoices within twenty (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 rights or remedies that we may have against you and we may apply it to your account(s) as a partial payment.

## Credit

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

## Termination

**Constellation may terminate this Contract for any nonpayment or any other breach of this Contract upon thirty (30) days prior written notice to you of such termination, in which case you may be charged a termination fee described below. You will have thirty (30) days to cure the nonpayment or breach giving rise to the termination notice. 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 may also terminate this Contract upon thirty (30) days prior written notice to you if, due to a change in law or other act beyond our reasonable control, including without limitation the termination of your Utility's gas choice program, we are no longer able to serve you. Either you or Constellation may terminate this Contract during a month-to-month renewal period upon thirty (30) days written notice effective as of the end of the next applicable meter read date after expiration of the required notice period. For residential customers, 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 forty-eight (48) hours prior written notice. **You may terminate this Contract prior to the end of the applicable term for your convenience by giving us not less than thirty (30) days prior written notice, in which case you may be charged a termination fee. If you are a residential customer and you terminate after the Guarantee Period, the amount of the termination fee will be \$150. If you are a commercial customer, your termination fee will be the greater of (i) \$150 or (ii) equal to the amount of gas you would have consumed during the remainder of the then-current term (calculated on the basis of previous consumption) multiplied by the positive difference, if any, between your Fixed Rate and the price at which Constellation can sell the gas at the time of termination.** Upon any termination of this Contract, you will return to receiving standard offer service from the Utility unless you have selected another natural gas 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 natural gas to you cannot be terminated or interrupted by the Utility as a result of any dispute between Constellation 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 may assign, subcontract or delegate, with thirty (30) days advance written notice, all or any part of our rights and/or obligations under this Contract, including your payment obligations under this Contract. 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 natural gas 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, this Contract may be changed by Constellation upon the occurrence of any event beyond its reasonable control that increases the obligations of Constellation or the cost of performing such obligations under this Contract. 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 affirmatively authorize such a change or terminate this Contract without any further obligation by notifying us in writing within thirty (30) days after receiving notice of the new prices and/or terms and conditions, in which case your natural gas supply service from Constellation 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 fee.

## Information Release Authorization

Throughout the term, you authorize Constellation 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 natural gas usage, rate classification, meter readings, characteristics of natural gas supply service and, when charges hereunder are included on your Utility bill, billing and payment information from the Utility. You authorize Constellation to release such information to third parties that need to know such information in connection with your natural gas supply service and to Constellation'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; Class Action and Jury Trial Waiver

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 AGREEMENT 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 Disclosure Statement at 1-855-465-1244. 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 neither Constellation nor any of its affiliates or subcontractors shall be liable for any damages or claims for matters within the control of the Utility, which include maintenance of pipelines and systems, service interruptions, loss or termination of service, deterioration of natural gas services, meter readings or injury to persons or damage to property caused by the delivery or supply of natural gas. Neither Constellation nor any of its affiliates or subcontractors will be responsible for any failure to commence or terminate natural gas supply service on the date specified herein due to any failure or delay in enrolling you with the Utility. Constellation'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 twelve (12) months. In no event shall Constellation 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

If something happens that is beyond our reasonable control that prevents us from performing our obligations under this Contract, then we will be relieved from performance until the situation is resolved. Examples of such events include: acts of God, fire, flood, hurricane, war, terrorism; labor disputes; declaration of emergency by a governmental entity or the Utility; curtailment, disruption or interruption of natural gas distribution or supply; regulatory, administrative, or legislative action, or action or restraint by court order or other governmental entity; and actions taken by third parties not under your or our control, such as the Utility.

## Delivery Point and Taxes

We will deliver natural gas to an existing or future point of interconnection between your Utility distribution system and a third party pipeline supplying natural gas to the Utility (the "Delivery Point"). Title and risk of loss related to natural gas transfer to you at the Delivery Point and you will be responsible for the all transmission, distribution and other costs (including Taxes, fuel and distribution/line loss, and other costs and fees) related to the sale purchase, and delivery of such natural gas to your home or business. "Taxes" means all taxes, assessments, duties, fees, levies premiums or any other charges of any kind, whether direct or indirect, and whether imposed on you or that Constellation passes through to you, relating to the sale, purchase or delivery of natural gas, together with all interest, penalties or other additional amounts imposed, including but not limited to gross receipts, utility taxes, sales, consumption, use, value added, per therm, commercial activity or other privilege tax, and any other tax (whether in effect as of the effective date of this agreement) imposed by any governmental entity.

## Miscellaneous

Except with respect to Constellation's affiliates and subcontractors under the "Limitation of Liability" and "Dispute Resolution; Class Action and Jury Trial Waiver" sections, 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. No statement, promise or inducement made by either party not contained in this Contract shall be valid or binding.

## Contact Information

CONSTELLATION NEWENERGY – GAS DIVISION, LLC IS A NEW JERSEY NATURAL GAS SUPPLIER. OUR LICENSE NUMBER IS GSL-0101. Contact us with any questions between the hours of 8:00 a.m. and 6:00 p.m. eastern time on weekdays, except holidays. Our toll-free number is (855) 465-1244. We can be reached by email at: [home@constellation.com](mailto:home@constellation.com). We can be reached by mail at Constellation, P.O. Box 4911, Houston, TX 77210. Please contact us at this address, email or phone number to resolve any disputes regarding this Contract. The New Jersey Board of Public Utilities Division of Consumer Relations toll free number is (800) 624-0241 and their website address is <http://www.state.nj.us/bpu/>.

## Emergency

For emergencies or other inquiries relating to your service, such as a gas outage, please call your local utility: South Jersey Gas at 888-766-9900; Public Service Electric & Gas at (800) 436-7734; New Jersey Natural Gas at (800) 375-1277; or Elizabethtown Natural Gas at (800) 492-4009.