



Natural Gas Supply Terms and Conditions of Service

By receiving natural gas supply service from Maryland EnergySM, licensed by the Maryland Public Service Commission (the "PSC") (License No. IR-2106), you are agreeing to be bound by the terms and conditions of service set forth below, including provisions regarding Binding Arbitration, and in your welcome letter, Contract Summary and other enrollment correspondence (collectively, your "contract").

Natural Gas Service – You must be a regulated utility retail natural gas customer account holder to establish an account with Maryland Energy. After the expiration of the rescission period described below, Maryland Energy will submit your enrollment request to the local distribution utility (the "utility"). After your successful enrollment with Maryland Energy and confirmation by the utility, Maryland Energy will supply your natural gas under this contract until your service is cancelled by you, the utility, or Maryland Energy. Maryland Energy is not responsible for utility delays in processing your enrollment or cancellation request. This contract governs your pricing with Maryland Energy during the term of your contract, but the application of those prices to your utility bill may be determined by the utility. The utility will deliver the natural gas you purchase from Maryland Energy to your premises, read your meter, provide emergency services, and issue your monthly bill. The utility will charge you separately for those services.

For new customers, your contract begins on your effective date as established by the utility and continues for the period specified in your welcome letter and Contract Summary. For existing Maryland Energy customers choosing a new price plan, your contract is effective upon the date your price plan change request is submitted to the utility by Maryland Energy, and continues for the period specified in your welcome letter and Contract Summary.

Maryland Energy Price Plans – Your price plan and per-therm price are specified in your welcome letter and Contract Summary. Maryland Energy's price plans fall into two categories – variable and fixed. Maryland Energy's prices are not regulated by the PSC. Sales tax and utility distribution and other charges are not included in the price per therm.

Maryland Energy may from time to time offer promotional or discounted prices.

Variable Plans: With a variable price plan, gas service is billed on a month-to-month basis at a price per therm of natural gas that may change or remain the same based on market conditions. Many factors influence retail natural gas pricing, including wholesale gas costs, which are impacted by the weather; general market conditions; transportation costs; operating expenses; and other factors. Maryland Energy cannot predict the volatility of the market or what its customers will pay for gas in the future. There is no limit on how much the price per therm may change from one billing cycle to the next. The per-therm price on a variable plan may be higher or lower than on a fixed plan. Under a variable plan, you may switch to another Maryland Energy price plan for which you qualify at any time at no additional charge. You, the utility, or Maryland Energy may cancel service under a variable plan at any time, subject to applicable PSC regulations.

You may access Maryland Energy's standard price per therm on our Variable Plan for the next month by visiting www.marylandenergy.com/pricing. This price will be posted at least 12 days prior to the end of the current month.

Fixed Plans: With a fixed price plan, customers are under contract for a fixed price per therm during the term of the plan. There is no variability in price with a fixed price plan contract. This contract governs your pricing with Maryland Energy during the term of your contract, but the application of those prices to your utility bill may be determined by the utility. When you select a fixed price plan, you commit to remain with Maryland Energy at the same price for the term of your plan, even if you move within the utility's service area. If you move to an area not served by the utility, your fixed plan will automatically terminate without penalty.

Although Maryland Energy's currently available fixed price may change at any time, the price for the full length of your contract will be Maryland Energy's fixed price in effect at the time you selected your fixed plan. The per-therm price on a fixed plan may be higher or lower than on a variable plan.

Maryland Energy reserves the right to make changes to the terms of this contract, including price, term length, price plan and early termination charge, after expiration of your current term. Such notice will be made at least 30 calendar days prior to the changes becoming effective.

This contract will **automatically renew on a month-to-month** basis on Maryland Energy's Variable Plan at the standard price in effect at that time, unless Maryland Energy provides you with notice, as set forth above, that the contract will renew for a longer term at a fixed price. Maryland Energy will send notice of renewal at least 30 calendar days prior to such automatic renewal. You may access Maryland Energy's standard price per therm on our Variable

Plan for the next month by visiting www.marylandenergy.com/pricing. This price will be posted at least 12 days prior to the end of the current month.

This contract shall automatically renew in accordance with the terms and conditions stated in your notice unless you notify Maryland Energy between the time of receipt of notice and the expiration of your current contract. You can also call Maryland Energy during that time period to request a new fixed or variable plan contract to take effect the day following the expiration of your current fixed price plan contract. If you again select a fixed price plan, you will receive the fixed price in effect when you contact Maryland Energy and make your selection.

If you cancel your contract after receiving such notice but prior to the effective date of automatic renewal, you will be obligated under this contract until the end of the then-current term. If you do terminate this contract and do not initiate another contract with Maryland Energy, you can choose another gas supplier or, if you do not choose another gas supplier, you will return to the utility for service. In order to avoid an early termination charge, please be sure any changes you make take effect after your current fixed plan expires.

If you receive notice that your contract will renew on a month-to-month basis on Maryland Energy's Variable Plan and the current standard price in effect at that time is equal to or exceeds 30% of your current fixed supply price, Maryland Energy will provide you with written notice of the new rate at least 12 days prior to the close of your billing period.

12 Month Fixed Price Plan:

If you terminate your plan during the initial term of your contract, except as specifically provided in your Maryland Energy contract, Maryland Energy will assess you an early termination charge of \$100 for residential customers or \$250 for commercial customers if you terminate your plan more than six months prior to its scheduled expiration date, or \$50 for residential customers or \$125 for commercial customers if you terminate your plan six months or less prior to its scheduled expiration date. Such charge is intended to compensate Maryland Energy for losses and expenses it estimates it will incur as the result of the early termination of a customer's fixed price plan.

6 Month Fixed Price Plan or Winter Fixed Price Plan:

If you terminate your plan during the initial term of your contract, except as specifically provided in your Maryland Energy contract, Maryland Energy will assess you an early termination charge of \$50 for residential customers or \$125 for commercial customers. Such charge is intended to compensate Maryland Energy for losses and expenses it estimates it will incur as the result of the early termination of a customer's fixed price plan.

Billing/Collections – Your Maryland Energy gas charges will be billed by the utility based on your price plan, along with the utility's charges for its services. By enrolling with Maryland Energy for gas service and entering into this contract, you agree to pay Maryland Energy's charges in accordance with the utility's payment procedures. If you do not pay your bills in accordance with those payment procedures, then the utility's service may be terminated in accordance with the utility's tariffs and PSC regulations, in which case your Maryland Energy service also will be terminated. If that occurs, you are required to pay the balance owed, including any applicable early termination charges billed by Maryland Energy. You acknowledge that your billing and payment information may be provided to Maryland Energy by the utility.

NOTE: Budget Billing may be available through your utility company. Contact your utility directly for more information.

Customer Service/Dispute Procedures – Maryland Energy is not responsible for resolving disputes with the utility. However, if you have questions concerning your Maryland Energy service, you may call Maryland Energy toll-free at 1-866-526-8776, Monday-Friday from 8 a.m. to 5 p.m. ET, excluding national holidays. You also may contact Maryland Energy by mail at P.O. Box 78760, Atlanta, GA 30357 or by e-mail at customerservice@marylandenergy.com. In the event of a dispute with Maryland Energy, you first should contact a Maryland Energy customer service representative within 30 days of receipt of your bill. If your complaint is not resolved, you may contact Maryland Energy's customer care center and ask for a customer service supervisor. You must pay your bill in full, except for the specific disputed amount, during the pendency of the dispute.

Right of Rescission – You may rescind this contract without an early termination charge within three business days after receiving it by contacting Maryland Energy toll-free at 1-866-526-8776. Your rescission will be processed according to the utility's enrollment timeline.

Contract Cancellation/Termination – You or Maryland Energy may terminate this contract by providing 45 days’ prior notice to the other party. You may terminate in writing or by calling Maryland Energy at 1-866-526-8776. You may also terminate by switching to another supplier or returning to utility sales service. Depending on the utility’s cancellation procedures, it may take up to 60 days for your account to be returned to the utility. You acknowledge that you are liable for all Maryland Energy supply charges until your switch to the utility or another supplier is effective or you discontinue natural gas service. The Binding Arbitration provisions of this contract shall survive termination of this contract or of your gas service.

If you terminate a fixed price plan prior to its scheduled expiration, early termination charges will apply as described under “Fixed Plans” above. Termination of your fixed plan will occur automatically if any of the following occurs: (i) you change your natural gas provider at your current premises; (ii) your service is disconnected for nonpayment; or (iii) you voluntarily discontinue the plan or disconnect your service.

Information Release Authorization/Privacy Policy – As a Maryland Energy customer, you authorize Maryland Energy to obtain and review information regarding your credit history from credit reporting agencies and information from the utility that includes, but is not limited to, your account number, billing information, consumption history, usage and payment history. This information may be used by Maryland Energy to determine whether it will commence and/or continue to provide your natural gas supply service and will not be disclosed to a third party, except for the sole purpose of facilitating billing, bill collection or credit reporting or as otherwise required by law. Your acceptance of this contract will constitute authorization for the release of this information to, and use of this information by, Maryland Energy in accordance with the foregoing. This authorization will remain in effect during the term of this contract, including any renewal. You may rescind this authorization at any time by providing written notice to Maryland Energy or calling Maryland Energy toll-free at 1-866-526-8776. Maryland Energy reserves the right to cancel this contract in the event you rescind this authorization. Maryland Energy will maintain a record of your consent for release of your information from the utility for at least 180 days from the expiration or rescission of your consent.

Consumer Protection – You may obtain additional information relevant to your service by contacting Maryland Energy toll-free at 1-866-526-8776 or the PSC at 1-800-492-0474, through its website, www.psc.state.md.us, or by writing to the PSC at Maryland Public Service Commission, Office of External Relations, 6 St. Paul Street, 16th Floor, Baltimore, MD 21202.

Entire Agreement – This contract, including any enrollment correspondence, Contract Summary and applicable attachments, as written, makes up the entire agreement between you and Maryland Energy. Maryland Energy will notify you at least 30 days prior to the effective date of material changes to this contract. Unless you notify Maryland Energy that you intend to terminate your contract, the changes will automatically take effect. **Maryland Energy makes no representations or warranties other than those expressly set forth herein, and Maryland Energy expressly disclaims all other warranties, express or implied, including, but not limited to, merchantability and fitness for a particular use.**

Regulatory Changes – This contract is subject to present and future legislation, orders, rules, regulations and decisions of any duly constituted governmental authority having jurisdiction over this contract or the services to be provided hereunder. If at some future date there is a change in any law, rule, regulation, or pricing structure whereby Maryland Energy is prevented, prohibited, or frustrated from carrying out the terms of this contract, then at its sole discretion Maryland Energy will have the right to cancel this contract on not less than 45 days’ notice to you.

Extraordinary Events – If an event occurs that delays or makes it impossible for Maryland Energy to perform this contract, such as an act of God, extraordinary weather occurrence, a facility outage on the utility system or interstate pipeline systems, a failure to perform by the utility, war, civil disturbance, or national emergency, performance under this contract by Maryland Energy will be excused for the duration of the event. Under such conditions, Maryland Energy may elect to discontinue service immediately, without notice.

Measurement – You and Maryland Energy agree to accept for purposes of accounting for quantity, quality and measurement, the foregoing as they are reported by the utility.

Assignment – You may not assign your interests in and obligations under this contract without the express written consent of Maryland Energy. Maryland Energy may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof in connection with any financial agreement and may assign this contract to another energy supplier or other entity as authorized by the PSC, and in accordance with COMAR 20.59.07.12.

Limitation of Liability – **Maryland Energy is not responsible for any losses or damages resulting from any actions or policies of, or associated with, the utility, including interruption of service, termination of service, defective service, or operation and maintenance of the utility’s system, nor is Maryland Energy responsible for damages sought because of in-home or building damage. The remedy in any claim by you against Maryland Energy will be solely limited to direct actual damages. All other remedies at law or in equity are hereby waived by you. In no event will either Maryland Energy or you be liable for consequential, incidental, indirect, special,**

or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this contract.

Emergency Service – In the event of a gas leak, service interruption or other emergency, Maryland Energy customers should immediately call their utility (Baltimore Gas & Electric, 1-800-685-0123; Washington Gas, 703-750-1400 or 1-800-752-7520) and emergency personnel.

Binding Arbitration – You and Maryland Energy agree that any and all disputes, controversies and claims (“Dispute(s)”) arising out of or related to this contract or to your gas service from Maryland Energy that cannot be resolved through the Customer Service/Dispute Procedures described above will be resolved through binding arbitration by the American Arbitration Association (“AAA”). Arbitration means that you and Maryland Energy will have a fair hearing before a neutral arbitrator instead of in a court with a judge or jury, except for certain small claims discussed below. The decision of the arbitrator will be final and binding, and the arbitrator’s award may be confirmed and entered as a judgment by any court of competent jurisdiction. The arbitration will be governed by the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer-Related Disputes of the AAA, as modified by this contract.

You can initiate arbitration by filing a Claim Form with the AAA and by sending a copy of the Claim Form to Maryland Energy at P.O. Box 78760, Atlanta, GA 30357. [The Claim Form](#) is available on the AAA website, www.adr.org, on the Maryland Energy website, www.marylandenergy.com or by calling Maryland Energy at 1-866-526-8776. You can complete the Claim Form on the AAA website or you can mail the Claim Form to AAA Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, New Jersey 08043, with a copy to Maryland Energy. You do not need to send payment to the AAA, Maryland Energy will pay the filing fee upon receipt of a copy of the Claim Form.

The arbitration shall be conducted by a single arbitrator who shall be mutually agreed upon by the parties; provided, however, that if the parties are unable to agree then the arbitrator shall be selected by the AAA in accord with its rules. The arbitration will take place in the county where you are billed or in a mutually agreed location. If the amount of the claim is \$10,000 or less, you may choose whether the arbitration takes place in person, by telephone, or on written submissions. If the amount of the claim is more than \$10,000, the type of hearing shall be determined by the AAA rules. The arbitrator will make his/her decision in writing, but need not provide a statement of reasons unless requested by either party, in which event the arbitrator will provide a concise statement of the essential findings and conclusions on which the award is based.

Maryland Energy will pay all arbitration filing fees and arbitrator’s costs. You are responsible for all additional costs that you incur in the arbitration, including, but not limited to, attorney’s fees (if you choose to be represented by an attorney) and expert witness fees. You shall not be required to reimburse Maryland Energy for the filing fees and arbitration costs paid by it unless the arbitrator determines that your claim was frivolous. Notwithstanding anything to the contrary in this arbitration provision, Maryland Energy will pay all fees and costs that it is required by law to pay, including payment of your attorney’s fees and litigation costs if required by applicable law. In addition, if the arbitration award is greater than Maryland Energy’s last settlement offer or if Maryland Energy did not make a settlement offer, Maryland Energy will pay twice the amount of your attorney’s fees, reimburse the expenses reasonably incurred by your attorney in pursuing your claim and a \$7,500 minimum recovery; provided, however, that you may not recover duplicative awards of attorney’s fees and expenses. Although under some laws Maryland Energy may have the right to an award of attorney’s fees and expenses if it prevails, Maryland Energy agrees not to seek such an award.

Both you and Maryland Energy expressly waive the right to bring a class action claim. All parties to the arbitration must be individually named. There shall be no right or authority for any claims to be arbitrated or litigated on a class action or consolidated basis or on bases involving claims brought in a representative capacity on behalf of the general public (such as a private attorney general), other recipients of gas service from Maryland Energy, or other persons similarly situated.

You and Maryland Energy agree that where the amount at issue is a small claim within the jurisdiction of the District Court and is an individual and not a class action claim, you or Maryland Energy may elect to proceed in that court.

Choice of Law and Venue – This contract shall be construed under and shall be governed by the laws of the State of Maryland without regard to the application of its conflicts of law principles, except that the Federal Arbitration Act shall govern the arbitrability and the arbitration of all Disputes. Venue for any lawsuit brought to enforce any term or condition of this contract or to construe the terms hereof shall lie exclusively in the State of Maryland, including in a United States District Court in Maryland having jurisdiction over the case.

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