



RESIDENTIAL TERMS AND CONDITIONS

OHIO FIXED-RATE SERVICE

These Terms & Conditions (“T&Cs”) together with the enrollment materials are your Agreement for electric generation service with Star Energy Partners LLC (“SEP”). **PLEASE READ THESE T&Cs CAREFULLY.**

Purchase of Electric Supply Service:

SEP is certified by the Public Utilities Commission of Ohio (“PUCO”) to offer and supply electric generation services in Ohio. As a Competitive Retail Electric Service (“CRES”) provider, SEP will supply the electric generation to your local Electric Distribution Utility, **Duke Energy** (“EDU”), based on your usage. Your EDU then distributes or delivers the electricity to you. SEP sets the generation prices and charges that you pay. The PUCO regulates distribution prices and services. The Federal Energy Regulatory Commission (“FERC”) regulates transmission prices and services. SEP will deliver and sell and you will buy your Service in accordance with the EDU’s electric delivery service program during the time this Agreement is in effect. SEP reserves the right to revoke its Services offer at any time prior to your acceptance of this Agreement.

Definitions:

As used in these T&Cs, the following words have these respective meanings:

“**Agreement**” means the legal contract for Services between you and SEP, and consists of these terms and conditions as well as any related agreement referenced herein or therein. Notwithstanding any language to the contrary, these terms and conditions take precedence over any conflicting language in any other Agreement.

“**Distribution Service**” means basic service for delivering electricity over a distribution system to a customer from the transmission system.

“**Generation Charge**” or “**Generation Charges**” means charge for the production of electricity.

“**Customer**” or “**you**” or “**your**” means the person subscribing to our Services and with whom we have entered into the Agreement. This includes a person we reasonably believe is acting with the authority or knowledge of the person whose name is on the account.

“**Parties**” means SEP and you.

“**Service**” or “**Services**” means any electric generation service or product that SEP provides to you.

“**RTO**” means the Regional Transmission Organization.

“**Supplier**” or “**we**” or “**us**” means SEP.

“**Transmission Charge**” means the charge for moving high voltage electricity from a generation facility to the distribution lines of EDU.

Right of Rescission – You understand that as a new customer to SEP, your EDU will send you a confirmation letter once you have been enrolled to receive generation service from SEP. You have a right to rescind your enrollment within seven (7) calendar days following the postmark date of the confirmation letter by following the instructions contained in the letter. The Right of Rescission only applies when a customer switches to a generation supplier and not on renewal enrollments. Your EDU will not send a confirmation notice upon any renewal of this Agreement.

TERMS AND CONDITIONS OF SERVICE

1. **Eligibility.** Only residential customer accounts are eligible for this offer, except for the following: (1) any residential customer accounts participating in energy assistance or low-income rate programs that will pay a higher rate or that will be otherwise negatively affected under this Agreement; (2) any residential customer of an electric cooperative or municipally owned utility; or (3) any net metered residential customers. SEP reserves the right to refuse enrollment to any Customer with an outstanding balance.

2. **Fixed Rate.** You agree to pay SEP a fixed rate, as described on your Welcome Letter and/or Enrollment Form, for combined Transmission, Generation, and Generation Related Charges (“Retail Electric Service”). The Service you buy from SEP will be included in your EDU’s monthly bill. The EDU provider will read your meter and bill for electricity and distribution services, as well as various other charges. In addition to the charges described herein, if any RTO or similar entity, EDU, governmental entity or agency, North American Electric Reliability Corporation or other industry reliability organization, or court requires a change to the terms of the Agreement, or imposes upon SEP a new or additional charge or requirement, or a change in the method or procedure for determining charges or requirements, relating to your Retail Electric Service under this Agreement (any of the foregoing, a “Pass-Through Event”), which are not otherwise reimbursed to SEP, Customer agrees that SEP may pass through any additional cost of such Pass-Through Event, which may be variable, to Customer. Changes may include, without limitation, transmission or capacity requirements, new or modified charges or shopping credits, and other changes to retail electric customer access programs.

If due to a change in market conditions and SEP wishes to lower the price per kilowatt hour charged to the customer under an existing contract, we may do so without consent, provided there are no other changes to the T&Cs.

3. **Term.** After acceptance of the enrollment request by SEP (at its discretion and consistent with the terms of this Agreement, specifically Paragraph 10 below), and the processing of the enrollment by your EDU, your Retail Electric Service from SEP will commence following any applicable rescission period with the first meter reading of the start month indicated on the Enrollment Form. Your Retail Electric Service will continue until the meter read date ("Initial Term") of the final month of the term as described on the Welcome Letter and the Enrollment Form for your service, unless renewed in accordance with Paragraph 4.

4. **Renewal Notice and Notification of Changes.** At the end of the Initial Term, this Agreement will expire. You will receive one written Notice of the Agreement expiration at least 45 days prior to either the end of the Initial Term or the effective date of any changes SEP proposes to these T&Cs. **If you have an ETF of \$25 or less, this Agreement, at company's sole discretion, may auto renew without your affirmative consent, even when there is a change in the rate or other terms and conditions.** If you have an ETF greater than \$25 and you do not cancel or do not affirmatively sign another agreement with SEP, this Agreement will renew on a month-to-month basis at the then variable rate. In the 45 day written Notice, we will explain your options, which may include enrolling into a new Agreement, the specific rate, proposed changes if any, and/or what actions you must take to cancel the Agreement, as well as any proposed changes to the T&Cs. If you continue on a month-to-month basis, you will be able to cancel at any time without an ETF upon 30 days written notice. These T&Cs or any revised T&Cs will continue in effect until you enter into a new agreement with us or leave SEP's Service. You are responsible for arranging your Retail Electric Service upon the termination of this Agreement.

5. **Cancellation/Termination.** You may cancel until midnight of the seventh (7th) calendar day without incurring penalties or early termination fees following the postmark date of the confirmation letter by following the instructions contained in the letter, otherwise known as the rescission period. If this Agreement is not rescinded during any applicable rescission period, then your enrollment will be complete. Thereafter, you may terminate this Agreement, without penalty, if you move from the service address covered under this Agreement or there is a change in law or regulation that physically prevents or legally prohibits SEP from performing under these T&Cs. If you terminate this Agreement for any other reason, such termination requires 30 days prior written notice and you may be subject to an ETF, dependent upon the Agreement you entered into with SEP. Refer to your Agreement for your ETF amount. SEP may also terminate this Agreement upon 30 days written notice, without penalty to you or SEP, if such termination by SEP is due to a change in law or other act beyond our reasonable control that would cause us to no longer be able to provide Service to you. Upon any termination of the Agreement, unless you have selected another supplier, you will return to receiving standard service offered from your EDU, in which case you may not be served under the same rates, terms, and conditions that apply to other EDU customers.

Any termination notice sent by you or us must specify the termination date subject to the applied notice period set forth herein. Upon any termination, other than as stated herein, you will remain responsible for any unpaid balance as of the termination date, plus any applicable ETF. The delivery of electricity to you cannot be terminated or interrupted by the EDU as a result of any dispute between SEP and you, but may be terminated by the EDU for nonpayment of EDU charges in accordance with applicable law. Since the EDU purchases the receivable of SEP attributable to the Services provided to you hereunder, such receivables become EDU charges for purpose of termination of Service.

6. **Billing and Payment.** You will receive a single bill for the Service supplied by SEP and the electricity delivery from the EDU at the monthly interval set with the EDU. While SEP does not offer budget billing, if you have chosen Budget Billing and are receiving a single bill for both Service and the delivery of such Service from EDU, EDU will continue to manage your Budget Billing and determine your monthly payment for Service. Please contact EDU with any questions regarding your budget. You will be billed additional charges, including taxes and charges to transmit and distribute the electricity to your home from the EDU, consistent with its filed tariffs. You are responsible for paying any new or increased taxes imposed on us or you regarding transmission or distribution of the electricity during the term of this Agreement. Bills not paid in full by the due date will incur a late payment fee on unpaid balances in accordance with the EDU's billing and late payment policies and procedures. In addition, you agree to pay us our costs incurred in collecting amounts owed us, including reasonable attorney fees and returned check charges. SEP reserves the right to change billing methods.

If you receive a separate bill from SEP for your Service and you fail to pay your bill on time, you will be subject to a late payment fee in the amount of 1.5% per month, and to collection costs incurred due to your late payment or non-payment. All returned checks will be subject to the maximum fee allowed by law. In addition, you agree to pay SEP's costs in collecting amounts owed, including reasonable attorney's fees. SEP reserves the right to cancel this Agreement after giving you a minimum of 14 days written notice should you fail to pay your bill by the due date.

7. **Credit and Deposits.** If required by SEP, you authorize us to ask commercial reporting agencies to furnish us with credit information. If you believe that we have reported inaccurate information about your account to a consumer-reporting agency, you may send us a written notice describing the specific inaccuracy.

We may require that you make an initial deposit before we establish or maintain Service for you. The deposit will be held as a partial guarantee of payment and cannot be used by you to pay your bill or delay payment. Unless otherwise required by law, deposits may be mixed with other funds and will not earn interest. We may require you to increase your deposit at any time and from time to time to reflect your estimated monthly Generation Charges and we will base that increase on your actual use of the Service or on our reevaluation of your Star Energy Residential T&Cs for Duke Market Area 06-12-2014

ability to pay. You may ask us to reevaluate your deposit on an annual basis, which may result in a partial or total refund of the deposit to you or a credit to your account, at SEP's discretion. If you default or the Agreement is terminated, we may, without notice to you, apply any deposit toward payment of Generation Charges due. Your unused deposit will be returned in accordance with applicable law.

8. Service Outage or Emergency. FOR SERVICE PROBLEMS OR IN THE EVENT OF AN EMERGENCY, YOU SHOULD IMMEDIATELY CALL EDU AT 1-800-543-5599.

9. Additional Fees. Your current electric service provider may charge you switching fees for exercising your choice to purchase electric generation service under this Agreement.

10. Customer Consent and Information Release Authorization. By choosing to accept this offer from SEP, you understand and agree to the terms and conditions of this Agreement with SEP. You authorize SEP to obtain your information from your EDU that includes, but is not limited to: billing history, payment history, historical and future electricity usage, meter readings, and characteristics of electricity service. SEP reserves the sole right to determine if your credit standing is satisfactory before accepting your enrollment request. This Agreement shall be considered fully executed by SEP following acceptance of your enrollment request by SEP, the end of any applicable rescission period, and subsequent acceptance of the enrollment by your EDU.

11. Dispute Procedures. Contact SEP with any questions concerning the terms of service by calling 1-855-427-7827 (toll-free), M-F 8AM - 6PM EST; by sending a letter to: SEP, 3340 West Market Street, Akron, OH 44333; or by sending an email to: feedback@stareenergypartners.com. SEP will refer all complaints to a representative who will attempt to reach a mutually satisfactory solution. If your complaint is not resolved after you have called SEP and the EDU or for general utility information, you may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 from 8AM – 5PM weekdays, or at www.PUCO.ohio.gov. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service). Residential customers may also contact the Ohio Consumers' Counsel (OCC) for assistance with complaints and utility issues at 1-877-742-5622 (toll-free) from 8AM – 5PM weekdays or at www.pickocc.org.

12. Limitation of Liability. FOR ALL CLAIMS BY CUSTOMER AGAINST SEP, CUSTOMER'S SOLE REMEDY IS FOR THE DIFFERENCE BETWEEN THE COST OF REPLACEMENT POWER IN EXCESS OF THE COST OF POWER SUPPLIED BY SEP UNDER THIS AGREEMENT.

13. Warranties. **SEP WARRANTS TITLE AND THE RIGHT TO ALL ELECTRICITY SOLD HEREUNDER. THE WARRANTIES SET FORTH IN THIS PARAGRAPH ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE. THIS PARAGRAPH WILL SURVIVE TERMINATION OR EXPIRATION OF THE AGREEMENT.**

14. Force Majeure. SEP will not be responsible for supplying Service to you in the event of circumstances beyond its control such as events of Force Majeure. Customer and SEP both agree that the following will constitute force majeure events under this Agreement and that SEP shall have the right to terminate or modify the Agreement without liability if: (1) the Electric Security Plan (ESP), Market Rate Offer (MRO) and/or Competitive Bid Process (CBP), or other generation procurement process results in a Price To Compare (PTC) that is equal to or less than the comparable annualized generation and transmission rates and riders in effect as of the effective date of this Agreement or (2) the PUCO approves or implements a phase-in credit for generation and/or transmission charges of the EDU or takes any other action which affects the PTC or otherwise does not allow the EDU to reflect the full cost to procure generation and transmission in the PTC or other regulatory action. In the event that the program is terminated, you will be returned to your EDU's standard service offer.

15. Miscellaneous. This Agreement is subject to any future legislation, orders, rules, regulations, or EDU tariff or policy changes. You may not assign your interests and obligations under this Agreement without the express written consent of SEP. SEP may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof in connection with any financial agreement and may assign this Agreement to another energy supplier or other entity as authorized by the PUC. Any required notice will be considered to have been made if mailed to you at the address in SEP's records for your account. Section headings are for descriptive purposes only and are not intended to be used to interpret the Agreement. Any reference to days or periods shall mean calendar days. You have the right to request from SEP, twice within a 12 month period, up to 24 months of payment history, without charge. SEP is prohibited from disclosing the Customer's social security number and/or account number(s) without the customer's consent except for SEP's own collections and credit reporting, participation in programs funded by the universal service fund pursuant to Section 4928.52 of the Revised Code, or assigning a customer contract to another CRES provider. SEP's environmental disclosure statement is available for viewing on our website – <http://public.starenergypartners.com/newsroom/resources>. You agree that SEP will make the required quarterly updates to the statement electronically on our website. SEP will also provide the information upon request. SEP assumes no responsibility or liability for the following

items that are the responsibility of the EDU: operation and maintenance of the EDU's electrical system, any interruption of service, termination of service, or deterioration of the EDU's service. In the event of a power outage, you should contact your EDU. Customer is responsible for providing SEP with accurate account information. If said information is incorrect, SEP reserves the right to reprice the applicable account(s) or terminate the Agreement. SEP reserves the right to return Customer to the EDU if Customer's rate code is changed and the account is no longer eligible for this program. Customer authorizes, but does not obligate, SEP to exercise Customer's governmental aggregation opt-out rights. If we do not enforce a claim or right, this does not amount to a waiver of our right to enforce such a claim or right. The provisions of the Agreement that are contemplated to be enforceable after the termination of the Agreement survive termination of the Agreement.