

Frontier Utilities, LLC REP CERT #10169

Texas Residential Terms of Service (TOS)

Effective Date: December 11, 2015

Version: TOS_FRONTU_20151211_EN

*Unless explicitly stated in each section, this document applies to both Postpaid and Prepaid plans.

Welcome To Frontier Utilities

Thank you for choosing Frontier Utilities, LLC as your Retail Electric Provider ("REP"). This document explains the terms and conditions of your agreement to purchase electricity from us (the "Agreement"). Your Agreement consists of the Terms of Service, Your Rights as a Customer (YRAC), and your Electricity Facts Label (EFL). As your REP, we will arrange for the delivery of electricity from your Transmission and Distribution Service Provider ("TDSP"), the company whose poles and wires bring power to your home or business. You may view a complete list of the Public Utility Commission of Texas ("PUC")'s rules at <http://www.puc.texas.gov/agency/ruleslaws/subrules/electric/Electric.aspx>.

Important Contact Details

Mail:

Frontier Utilities,
5161 San Felipe, Suite 320, Houston, TX 77056

Phone: 866-926-8192

Fax: 866-926-8193

Web: <http://www.frontierutilities.com>

Email: info@frontierutilities.com

Customer Service: 7am–6pm CPT, Monday-Friday

Payment Center: 7am-6pm CPT, Monday-Friday
8am-2pm CPT, Saturday

What if I need a copy of my Contract in Spanish?

¿Qué hago si necesito una copia de mi Contrato en español?

Your TOSA, EFL and YRAC are available in Spanish by contacting us. Usted puede obtener los documentos de su Contrato (TOSA, EFL y YRAC) en español comunicándose con nosotros.

Right of Rescission: If you are switching service from another REP to us, you may cancel this agreement without penalty or fee within the first 3 federal business days after you receive this Agreement by these methods:

1. Call us at 1-866-926-8192
2. Write us - 5161 San Felipe, Ste 320
Houston, TX 77056;
3. Send us a fax at 1-866-926-8193; or,
4. Send us an e-mail at care@frontierutilities.com no later than midnight of the 3rd federal business day.

Please include:

- a. Your name and service address,
- b. Your Frontier Utilities account number or Electric Service Identifier ("ESI"); and
- c. A statement that you are cancelling your Agreement under this 3-day rescission right.

The right of rescission is not applicable to an applicant requesting a move-in.

Supply of electricity: We agree to sell electricity and Related Services to you at your premise(s) and you agree to purchase electricity from us on the terms and conditions as set out in this agreement. For prepaid customers, the quantity of electricity supplied by us to you will be the amount you purchase prior to usage.

Commencement of agreement: The Commencement date of this agreement is the date that you accept our offer to supply you with electricity. If you are currently supplied by another REP, then by entering this agreement you have given your consent to transfer to us. You will continue to be supplied by that REP until the transfer to us is complete.

Commencement of service: Your service under this Agreement will begin on your next meter read date (unless you require new service), which is set by your TDSP. If you are currently receiving service from another REP, we do not charge a switch fee. However, we will bill you for any charges to implement your electricity service imposed by your TDSP which may include, but are not limited to, a service connection fee, reconnection fee, meter test fee, an out-of-cycle or similar special meter read fee or priority fees if any of these services are performed on an expedited basis. We will not be liable for, nor are we able to commit to, an exact date for the commencement of service with us.

Acceptance of you as a customer: These Terms of Service are conditioned on our acceptance of you as our customer. You will purchase electricity for the ESI ID and service address you have identified and in accordance with the terms and conditions in this Agreement. Following completion of an enrollment with us, you may be required to complete a Verification Call before your request for service can be processed. In the event you fail to provide any additional information required to process your enrollment within ten (10) days of such request, we reserve the right to refuse to honor the terms of this Agreement. We may refuse to provide electric service under one or more of the provisions set forth under PUCT Substantive Rules §25.477. If denied service under one of these provisions, you will be notified. In the event that there is a change in the terms of this agreement between the time you enroll for service and the time that your enrollment is actually processed by us, we reserve the right to deny service under these Terms of Service.

Communication: Frontier Utilities provides a number of ways to stay in touch with you as a customer. The communication types include, but are not limited to, recorded or live calls to a landline or cell phone, mail, electronic communication via email, and/or texting to your cell phone. These various forms of communication are provided to keep you up to date on the status of your account, as well as promotions that could positively affect the amount you are paying monthly.

You have the ability to check the status of your account, see how much power you have left, find a payment location, and make a payment 24/7 online by establishing and logging into your account at <https://portal.frontierutilities.com/MyAccount>. You can also call during business hours to speak with a Customer Care representative at 1-866-



926-8192, or text "BALANCE" to 67463. You can also text "DOCUMENTS" to 67463 to receive links to all documents associated with your plan. Standard messaging rates apply.

You agree to keep your phone number(s) and email information up to date in the Frontier Utilities system so that Frontier Utilities is able to communicate effectively with you. We will not charge you for communicating via email or text message but the standard carrier/ISP rates apply and are your sole responsibility. Frontier Utilities may send opt-in texts to your mobile phone. Once you opt-in to receive texts, Frontier Utilities may send you periodic texts for purposes including, but not limited to, account status, outages, emergencies, marketing and promotions.

Account information notifications are not subject to the Do Not Call/Do Not Contact rules.

Frontier Utilities offers the option to enroll in paperless billing, where your invoices will be emailed to an address kept on file. If you choose to enroll in paperless billing, you will only receive invoices via email. Other notices, such as but not limited to disconnection notices, renewal offers, marketing, and promotions may still be mailed to your postal address. To enroll in this option, call a Customer Service Representative at 1-866-926-8192. This option is not available for customers on prepaid plans.

Fees: In addition to the rate per kilowatt hour (kWh), Frontier Utilities may charge the following fees:

- \$10 - one-time non-refundable account set-up fee
- \$10 - one-time non-refundable account closing fee
- \$35 - returned payments due to lack of funds or inaccurate account information
- Up to \$5 disconnection notice charge
- Up to \$30 disconnection charge
- Up to \$30 reconnection charge
- Up to \$0.99 daily charge
- Up to \$5 for customer care calls
- Up to \$5 for collection calls
- Up to \$5 for payment processing of card payments via a live agent
- Up to \$20 for mailing any additional paper copies of documents
- Any fees passed through from TDSP; including, but not limited to: move-in, holiday connection, off-cycle switch, etc.

We may also charge other fees assessed to Frontier Utilities by third parties that are incurred to service your account. This includes but is not limited to your TDSP, the Electricity Reliability Council of Texas ("ERCOT") or the PUCT. Frontier Utilities does not charge a fee when accessing self-help options such as the Frontier Utilities website, a walk-up payment location or the automated options on the customer support line.

Other Charges and Fees: You may be required to pay nonrecurring fees (e.g. service connection fee, meter test fee or special meter reading fee, move-in fee or switch fee) specified by the TDSP or by us. All nonrecurring fees may appear as a separate line item on your invoice. You agree to pay such adjustments and nonrecurring fees as shown on

the Invoice. In the event that the PUCT permits any changes in fees charged by the TDSP, or if ERCOT permits any changes, increases, or adds new fees, we reserve the right to adjust the price per kWh accordingly with or without advance notice. The rates charged by each TDSP are available at any time by calling us at our customer service number or viewing our website at www.frontierutilities.com/Resources/TDSP-Charges. You must pay all applicable federal, state and local taxes and charges. These taxes and charges will be identified on your bill.

For Postpaid Plans

Credit Checks & Deposits: We may use credit reporting agencies to document and evaluate your credit and/or payment history. If you do not meet our credit standards or cannot demonstrate satisfactory credit as defined in PUCT Substantive Rules §25.478 of the PUCT rules, we may require a deposit from you. If a deposit is required, the amount shall not exceed the greater of either the sum of your estimated billings for the next two months or one-fifth of your estimated annual billing. We will apply any cash deposit held on your behalf plus any accrued interest (calculated at the PUCT-approved rate) to the outstanding balance on your final bill, or to your current balance when you have paid bills for twelve (12) consecutive months without having any late payments. Frontier Utilities may require an additional deposit from you once you are an existing customer if a disconnection notice has been issued in the previous twelve (12) months, and/or if your average actual billings over the previous twelve (12) months are at least twice the amount of the originally estimated annual billings. Your service may be disconnected if a deposit is not paid within ten (10) calendar days of the date of the request for deposit.

Customers that are 65 or over, medically indigent, or are the victims of family violence and can provide a certification letter by the Texas Council on Family Violence as defined in the Texas Family Code 71.004 (see website for more details at www.statutes.legis.state.tx.us) may not be required to pay a deposit. Customers who qualify for rate reduction programs who are required to pay a deposit greater than \$50 may pay the deposit in two equal installments across two billing cycles. You may arrange for a guarantor to enter into a guarantee agreement with Frontier Utilities in lieu of paying a cash deposit. Please contact Frontier Utilities if you would like more information on the requirements of a guarantee agreement. Please contact Frontier Utilities or the PUCT for more information about deposit requirements and establishment of satisfactory credit.

Term of Agreement & Termination: The minimum time period this Agreement will be in effect (Term) is shown on the EFL. This agreement shall be effective on the date of your enrollment with Frontier Utilities until the Term on your EFL has elapsed. You will be responsible for amounts due to Frontier Utilities for consumption up to the date that the termination of this Agreement becomes effective. Please provide us with written or verbal notice of your intent to terminate this Agreement and your forwarding address, if applicable. Early termination fees may apply to Term products as per the EFL. Termination fees do not apply if you move to a new premise during the contract period and proper documentation of such move is submitted in writing. In such instance,



customer may be responsible for all usage and fees until Frontier Utilities receives the required documentation of move.

What type of electricity plan do I have?: The PUCT requires classification of your electricity plan into one of three categories – variable rate, indexed rate, and fixed rate. To find out what specific type of electricity plan you have, check your EFL. Please note that only the parts of this section that describe your specific product type will apply to your Contract.

Variable Rate Plans: We charge you for electricity provided on a per kilowatt hour (“kWh”) basis as per the EFL for your plan. This rate (price per kWh) is subject to change for reasons including, but not limited to, a change in the TDSP charges or a change in the cost of fuel used to produce energy during the term of this Agreement. Your EFL will disclose if this rate includes all recurring TDSP charges for the delivery of electricity and other related fees allowed to be charged by the PUCT or ERCOT, or if they are passed through directly to you as a line item on the invoice without markup. Your price may increase if the TDSP increases its charges for the delivery of your electricity. Increases in TDSP charges are regulated by the PUCT and are therefore not controlled by us. This price does not include taxes or non-recurring fees. We may adjust your commodity charge without further notice to you at the sole discretion of Frontier Utilities. The variable rate will not increase more than 30% over the previous month’s rate. The rate may decrease by any amount. We reserve the right to assess a surcharge to recover costs associated with the procurement of electricity. Any surcharge assessed would be in addition to changes in the commodity price.

Fixed Rate Plans: We charge you for electricity provided on a per kilowatt hour (“kWh”) basis as per the EFL for your plan. Your EFL will disclose if this rate includes all recurring TDSP charges for the delivery of electricity and other related fees allowed to be charged by the PUCT or ERCOT, or if they are passed through directly to you as a line item on the invoice without markup. Your price may increase if ERCOT or the TDSP increases its charges for the delivery of your electricity. Charges resulting from federal, state, or local laws or regulatory actions that impose new or modified fees or cost are outside of our control. This price does not include taxes or non-recurring fees.

Contract Expiration Notice: Frontier Utilities will send you an expiration notice at least 30 days prior to the date of contract expiration but no more than 60 days in advance of the expiration. Frontier Utilities will provide you with the Terms of Service, EFL and YRAC automatically in the expiration notice. If you do not renew the Agreement before the expiration date, your electric service with Frontier Utilities will continue with Frontier Utilities’ month-to-month plan offering. You will be able to switch to another Frontier Utilities plan or cancel the month-to-month plan at any time with no termination fee.

Billing: We will send you a bill every month for your electricity. The monthly bill will be due and payable in full no sooner than sixteen (16) calendar days of the date of the bill. You agree to pay the Amount Due shown on the invoice from us in a timely manner in accordance with these Terms of Service.

If payment is not received by the due date on the bill, a onetime 5% late fee will be applied to the balance as defined in PUCT Substantive Rules §25.480 of the PUCT rules. Acceptance by us of any partial payment from you will not relieve you of your obligation to pay the full amount owed. We reserve the right to have included on your monthly bills any charges or credits necessary to correct any billing errors. If any such charge causes a problem for you, please call us. We reserve the right to pursue all legal methods to collect any amounts lawfully owed. In the event that you fail to pay your bill in accordance with this Agreement, you agree to pay reasonable collection costs and expenses (including attorney’s fees) we incur as a result of our attempt to collect any amounts you owe. We will make reasonable efforts to return any unclaimed credits if a credit balance exist on your account after payment of your final bill from us. You will be charged a fee for payments returned or dishonored.

If you have any questions or a dispute regarding the charges on your bill or payments with respect to your account, please call us at 1-866-926-8192. If we are unable to respond to your question or dispute, we will investigate the matter promptly and report our findings to you. You will not be required to pay the disputed portion of your charges while we investigate. If you are not satisfied with our response you may contact the PUCT. For more information on your rights in the event you have a dispute with your bill or information on how to contact the PUCT, please see the YRAC accompanying this Agreement.

Estimated meter readings: We may be required to use estimated meter readings to generate bills in the event that an error or omission in the monthly meter reading exists. If your bill is based on an estimated meter reading, it will be noted on our bill.

Collection agencies: When a balance has been due for over thirty (30) days, we may report the past due amount to a third party agency, for purposes of collecting the past due amount. If you dispute any balance due, you must notify us immediately, in writing, of the disputed balance. Such writing shall include, but not be limited to:

- i. the account information of the account in dispute;
- ii. be signed by an authorized person;
- iii. the amount of the dispute; and
- iv. the nature of the dispute.

If a reported amount is disputed by you, the customer, in accordance with the Fair Credit Billing Act (15 U.S.C.A. SEC 1666a(b)) - <https://www.ftc.gov/sites/default/files/fcb.pdf> and 12 C.F.R. SEC 226.13(d)(2) - <http://www.fdic.gov/regulations/laws/rules/6500-1500.html#fdic6500226.13>, we will report the amount as disputed to the third party agency. We agree to work amicably and quickly to resolve any disputes regarding past due balances.

Average Billing: The Average Billing Program allows you to pay approximately the same monthly amount for electric service, subject to a semiannual adjustment based on actual consumption. Average monthly billing is calculated by taking the current month’s usage added to the previous 11 month usage history at the service address, multiplied by your current kWh rate, added to a 12 month total of TDSP charges and taxes which is then divided by 12. This program is offered to any customer who is currently receiving rate reduction. This program is also



offered to any customer who is not currently delinquent in payment to Frontier Utilities. Frontier Utilities may bill or credit any overbilling or under-billing, as appropriate, at least once every 6 months. Frontier Utilities may collect under-recovered costs and/or refund any over-recovered amounts from Customer at least once every 6 months or upon termination of service to the Customer.

For Prepaid Plans

Power As You Go® Plan: The Power As You Go® Plan allows you to pay in advance for power, establishing a kWh balance that must be maintained. Frontier Utilities will provide electricity until this prepaid balance is depleted. If your account balance reaches the lesser of \$10 (approximately 70kWh), your service may be interrupted.

Communication will be sent via e-mail, text to a cell phone or recorded calls to the phone number on your account at least 3 days and not more than 7 days before your prepaid balance is estimated to drop to \$10 (approximately 70kWh). Frontier Utilities reserves the right to send communications at other intervals. Electronic receipts of payments will also be sent each time a payment is made online or over the phone. Receipts are provided at cash payment locations and all payment transactions will be available for review both on-line or by calling. The initial payment needed to begin service will be told to you at the time of enrollment.

This is a prepaid electricity service agreement and continuation of service depends on you prepaying for service on a timely basis. If your prepayment balance becomes exhausted, your service will be interrupted. You have the right to choose an electric service that does not require prepayment. Frontier Utilities can provide other options for electric service that do not require prepayment by calling 1-866-926-8192.

Consult your EFL to verify if you are on a Variable Rate Plan or Fixed Rate Plan:

Variable Rate Plans: You will buy kWhs to add to your current balance. Once kWhs are purchased, they are locked at the rate at which they were purchased until used. For Variable Rate Power As You Go® plans, the price per kWh is variable and you will pay the current rate that is effective at the time of purchasing kWhs. The variable rate will not increase more than 30% over the previous month's rate. The rate may decrease by any amount. Lower promotion rates for special purchases may also be offered at any time. Your EFL will disclose if this rate includes recurring TDSP charges for the delivery of electricity and other related fees allowed to be charged by the PUCT or ERCOT, or if they are passed through on the invoice without markup. Your price will only vary from the amount disclosed in your EFL to reflect actual TDSP charges, any changes to TDSP, ERCOT or Texas Regional Entity fees, rates or charges, or changes resulting from federal, state, or local laws that impose new or modified fees or costs on us that are beyond our control. This price does not include taxes or non-recurring fees.

Fixed Rate Plans: You will buy kWhs to add to your current balance. Once kWhs are purchased, they are locked at the rate at which they

were purchased. For Fixed Rate Power As You Go® plans, the price per kWh is the rate agreed upon in the applicable plan. See your EFL for the fixed rate. Purchases can be made at the fixed rate for the entire length of the term of the plan. Your EFL will disclose if this rate includes recurring TDSP charges for the delivery of electricity and other related fees allowed to be charged by the PUCT or ERCOT, or if they are passed through on the invoice without markup. Your price will only vary from the amount disclosed in your EFL to reflect actual TDSP charges, any changes to TDSP, ERCOT or Texas Regional Entity fees, rates or charges, or changes resulting from federal, state, or local laws that impose new or modified fees or costs on us that are beyond our control. This price does not include taxes or non-recurring fees.

Fixed Term Contract Expiration Notice: Frontier Utilities will send you an expiration notice at least 30 days prior to the date of contract expiration but no more than 60 days in advance of the expiration. Frontier Utilities will provide you with the Terms of Service, EFL, PDS & YRAC automatically in the expiration notice. If you do not renew the Agreement before the expiration date, your electric service with Frontier Utilities will continue on a prepaid basis.

Transferring Service: When moving to a new premise, an account must be opened at the new address and activated by paying any TDSP fees as well as a minimum power purchase. When, and not before, the new account has a positive balance, the old account may be closed after its final read has been received and applied, and any remaining balance may then be transferred to the new account.

Billing: The Power As You Go® Plan is a prepaid electricity plan. Per PUCT Substantive Rules §25.498 of the PUCT, we do not have to send a recurring billing statement. Monthly bills are not issued for your account, and your account is not subject to a monthly billing cycle and meter read. Consumption is determined daily as power is used and as such there are no true-ups. kWhs are debited daily as consumed. Note that there may be a delay in receiving usage information from the TDSP. Frontier Utilities reserves the right to estimate the usage for those days where actual TDSP usage has not been received, based on historical usage at the premise, when advising customer of proximity to disconnection level of \$10 (approximately 70kWh).

Payments: For prepaid plans, payment for electricity must be made and posted before you can receive power. Payments can be made however often are needed/desired to maintain a positive prepaid power balance.

When making a power purchase, the payment will be converted to kWhs at the current rate per kWh at the time of your purchase. To maintain a positive balance, we may require a minimum purchase of the equivalent of two days of your established average power usage. However, if your account is disconnected, you may be required to pay a Disconnect Charge, Reconnect Charge, and any negative usage incurred. See *Prepaid Disconnection* section for details. You can make payments as often as needed. Frontier Utilities accepts prepayments with credit cards, debit cards and cash. We do not accept checks or payments through the mail. Payments with a credit card or debit card may be made online at portal.frontierutilities.com/MyAccount or over the phone with an agent or through our secure IVR, when available. Cash payments may be made



at authorized walk-up payment centers. Visit your My Account area on our web site or call Customer Service to get a list of the cash payment locations in your area. You will receive an electronic receipt of your payment if made online or over the phone. You will be given a receipt if a cash payment is made by the cash payment authorized vendor. Additionally, you can see a history of all of your payment activity by logging onto My Account. Purchases will include desired amount of kWhs at current rate, plus any applicable taxes and any required fees. kWhs are non-transferrable to any other active ESID with the exception of a customer move. See *Transferring Service* for details.

Credits/Discounts: Any discounts you receive by qualifying for payment assistance programs will be treated as a payment when received by Frontier Utilities. Any credits you receive for any reason will be treated as a payment when entered into your account by Frontier Utilities. Discounts and Credit payments will then automatically be used to purchase additional kWhs at the current rate per kWh. See *Payments* for more details.

Contract Termination and Service Disconnection

Our Cancellation Rights: We may cancel this agreement immediately if within the first 7 days of the energized date, we find the information about your residence to be inaccurate, causing the price you pay to be less than the price you should have paid for accurate data of your residence. We will notify you prior to disconnection allowing you to pay the difference before service is interrupted. We may also cancel this Agreement for any lawful reason upon 10 days prior written notice. This Agreement will be cancelled automatically if your service is disconnected and you are not reconnected within 5 days after disconnection.

There are circumstances under which the law permits us to cancel the Agreement immediately and without prior written notice to you (e.g. fraud or misrepresentation by you in enrolling for service under this Agreement). If this Agreement is cancelled for such a reason you may not receive any prior notice. Regardless of whether you or we cancel this Agreement, if you want to obtain service from another REP, you must contact them directly. Cancellation does not excuse your obligation to pay us all outstanding fees and charges under this Agreement.

Postpaid Disconnection: Your electric service may be disconnected upon at least 10 days prior written notice if:

- i. you fail to pay your bill or to make deferred payment arrangements on or before the date of disconnection stated on the disconnect notice that will be sent after your bill becomes past due;
- ii. you fail to comply with the terms of a deferred payment agreement; or
- iii. you interfere with the electric service of others or operate non-standard equipment.

If we have not received full payment within a reasonable time after we send you a disconnection notice for non-payment, we will attempt to contact you by telephone. In order to prevent disconnection, you must pay the entire amount stated in the notice by one of the approved payment methods set forth above in this Agreement. We may also authorize disconnection of your service without prior written notice as

provided by PUCT Substantive Rules §25.483(d) of the rules and regulations of the PUCT including:

- i. where a known dangerous condition exists;
- ii. where service is connected without authority;
- iii. where service is reconnected without authority after being disconnected;
- iv. for tampering with the TDSP's equipment; or
- v. if there is evidence of theft of service.

This Agreement will be automatically cancelled if you are disconnected for non-payment and have not reestablished service by satisfactory correction of the reason(s) for disconnection. Satisfactory correction of the reason(s) for disconnection may include, but are not limited to: payment of past energy charges and/or non-recurring TDSP charges for initiation of service, connection fees, meter test fees, special meter read fees, disconnect fees, reconnect fees, and such other fees or charges lawfully imposed by your TDSP. To reestablish service with us, you will need to go through the application process again and formally choose us as your REP. Disconnection of your service does not relieve you of your responsibility for charges incurred in connection with this Agreement.

In the event of a weather emergency and a past due balance, subject to PUCT Substantive Rules §25.498(3) of the PUCT, your service will not be interrupted until the weather emergency is declared over. Once the weather emergency is declared over, your service will be interrupted until a full payment or a payment arrangement is made.

Prepaid Disconnection: Frontier Utilities has the right to interrupt your service when your electricity balance reaches \$10 (approximately 70kWh) or below or you have a negative balance. Your service will be automatically disconnected if your balance remains below \$10 (approximately 70kWh) for more than 5 days, or if it has been more than 5 days since your last recharge and your balance is \$10 (approximately 70kWh) or below. If your service gets interrupted you may be charged disconnection and reconnection fees, which you will need to pay in addition to your power purchase of at least two (2) days' worth of power. See *Fees* for more details. Your service will remain off until payment is made. Once reconnection is approved, your power will be turned on within 2 hours of Frontier Utilities submitting the reconnection transaction to your TDSP.

Frontier Utilities will notify you at least 3 days and not more than 7 days before your prepaid balance is estimated to drop to \$10 (approximately 70kWh). We reserve the right to notify you at other increments. These estimates are based on historical usage and rate information, and any abnormal consumption and/or pricing event may impact these estimates. Notification will be made via text message to your cell phone or via an e-mail to the e-mail account that you have provided. See *Communication* for more details.

In the event of a weather emergency and a depletion of your balance, subject to PUCT Substantive Rules §25.498(3) of the PUCT, your service will not be interrupted until the weather emergency is declared over. Once the weather emergency is declared over, your service will be interrupted until a full payment or a payment arrangement is made. See *Deferred Payment Plan* for more information.

Cancellation of Service: You may cancel your service with us at any time. In order to ensure timely processing you should notify us at least 3 business days before the requested cancellation date. If you have signed a contract and choose to terminate your service before the contract ends, you may be charged an Early Termination Fee. See *Term of Agreement & Termination* under *Postpaid* for more details. If you have any negative balance at the time of termination we will charge any payment account on file with us for the amount owed.

Deferred Payment Plans: If you cannot pay your bill, you may be eligible for a deferred payment plan unless you have received more than two termination or disconnection notices during the past 12 months or you have received service from us for fewer than three months and cannot demonstrate a satisfactory payment history with a prior REP. If you have received a disconnection notice, and you have made a request for a deferred payment plan, your deferred payment plan may require you to pay 50% of the past-due amount when the plan is approved and the remainder may be paid over the following three months in equal installments. You will have to remain current on your other obligations during the term of the deferred payment plan, and if you fail to properly complete the deferred payment plan, your service may be terminated. Frontier Utilities reserves the right to pursue disconnection of service if you do not meet the terms of the deferred payment arrangement per PUCT Substantive Rules §25.498(i)(7) of the PUCT. In addition, any outstanding deferred payment plan balances must be paid prior to terminating service. Deferred Payment Plans are also available for negative balances over \$50 that result from a weather emergency. Deferred Payment Plans can be made by speaking to a Customer Care Representative. If a Deferred Payment Plan is applied to an account, we may also add a switch hold to the premise until the deferred balance is paid in full.

Switch Holds: Frontier Utilities may request that the TDSP place a switch-hold on an ESI ID, to the extent allowed by PUCT Substantive Rules §25.480, which shall prevent a switch transaction from being completed for the ESI ID and shall prevent a move-in transaction from being completed pending documentation that the applicant for electric service is a new occupant not associated with the customer for which the switch-hold was imposed. If Frontier Utilities exercises its right to disconnect service for non-payment pursuant to PUCT Substantive Rules §25.483, the switch-hold shall continue to remain in place.

Payment Assistance: Energy assistance and rate reduction programs are available to customers who have severe financial hardships and temporarily may be unable to pay their bills. Significant discounting may be available to qualifying low income households through the Low Income Telephone and Electric Utilities (LITE-UP) program directed by the Public Utilities Commission of Texas. To find out how to apply for the discount, you can call the program administrator at (866) 4-LITE-UP (866-454-8387). Frontier Utilities will offer each customer the opportunity to contribute voluntarily to a bill payment assistance program for qualified residential customers. Call us at 1-866-926-8192 to obtain more information about the various assistance programs that may be available to you.

Modifications to this agreement: If we propose to make material changes to this Agreement, we will send you notice at least 14 days prior to the effective date of the proposed change. If the change is not acceptable to you, you may cancel your Agreement by sending us a notice of cancellation at least 10 days prior to the effective date of the proposed change. (Please see earlier paragraph on how to cancel your agreement.) Otherwise, we will continue your service based on such change on the effective date indicated in the notice.

Postpaid Refunds: A deposit held by Frontier Utilities shall be refunded when the customer has paid bills for service for 12 consecutive residential billings or for 24 consecutive non-residential billings without having any late payments. Frontier Utilities may refund the deposit to a customer via a bill credit. Once the Frontier Utilities is no longer the REP of record for a customer or if service is not established with Frontier Utilities, Frontier Utilities shall promptly refund the deposit plus accrued interest to the customer. Frontier Utilities may subtract from the amount refunded any amounts still owed by the customer to Frontier Utilities. If Frontier Utilities obtained a guarantee, such guarantee shall be cancelled to the extent that it is not needed to satisfy any outstanding balance owed by the customer. Alternatively, Frontier Utilities may provide the guarantor with written documentation that the contract has been cancelled to the extent that the guarantee is not needed to satisfy any outstanding balance owed by the customer. If a customer's or applicant's service is not connected, or the service is terminated by the customer, Frontier Utilities shall promptly void and return to the guarantor all letters of guarantee on the account or provide written documentation that the guarantee agreement has been voided, or refund the customer's or applicant's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. Similarly, if the guarantor's service is not connected, or the service is terminated by the customer, Frontier Utilities shall promptly void and return to the guarantor all letters of guarantee or provide written documentation that the guarantees have been voided. This provision does not apply when the customer or guarantor moves or changes the address where service is provided, as long as the customer or guarantor remains a customer of Frontier Utilities. Frontier Utilities shall terminate a guarantee agreement when the customer has paid its bills for 12 consecutive months without service being disconnected for nonpayment and without having more than two delinquent payments.

Prepaid Refunds: Frontier Utilities will refund to the customer or an energy assistance agency, as applicable, any unexpended balance from the account within ten business days after the Frontier Utilities receives the final bill and final meter read from the TDSP. In the case of unexpended funds provided by an energy assistance agency, Frontier Utilities shall refund the funds to the energy assistance agency and identify the applicable customer and the customer's address associated with each refund. In the case of unexpended funds provided by the customer that are less than five dollars, Frontier Utilities shall communicate the unexpended balance to the customer and state that the customer may contact Frontier Utilities to request a refund of the balance. Once Frontier Utilities has received the request for refund from the customer, Frontier Utilities shall refund the balance within ten business days.

Disputes or complaints: Please contact us if you have specific comments, questions, complaints, bill questions, or if you feel your bill is incorrect, by calling a Frontier Utilities Customer Care Representative or emailing care@frontierutilities.com. If you are not satisfied with our attempt to resolve the problem, you may file a complaint with our company and request a Frontier Utilities supervisory review. If we fail to resolve your dispute, it is your right to file a complaint with the PUCT. PUCT contact information:

Public Utility Commission of Texas, Customer Protection Division
 P.O. Box 13326, Austin, Texas, 78711-3326
 Phone: 512-936-7120 or 888-782-8477
 Fax: 512-936-7003
 TTY: 512-936-7136
 Email: customer@puc.state.tx.us
 Website: www.puc.state.tx.us
 Please see your YRAC document for more information.

Representation & Warranties: Frontier Utilities makes no representations or warranties other than those expressly set forth in this agreement and expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular purpose.

Limitation of Liabilities: Our liability under this agreement shall be limited to direct damages actually incurred. We shall not be liable for interruption or shortage of supply, nor any associated loss or damage, resulting from causes outside our reasonable control. Neither you nor us shall be liable to the other for any indirect, special, consequential or punitive damages of any kind whatsoever, whether in contract, tort, strict liability or otherwise. You acknowledge that the TDSP is responsible for the supply of energy to the meter. The quality, frequency and continuity of supply of energy are subject to a variety of factors, which include accidents, weather and acts of others. Accordingly, we are unable to guarantee the quality, frequency, continuity or safety of supply of energy to you. We are not liable for any damage to property or persons resulting from the supply of energy to you. If you are a business customer, you must take reasonable precautions to minimize the risk of loss or damage to any equipment, premise or business of the business customer which may result from poor quality or reliability of energy supply.

Indemnity: You must ensure that your actions will not do anything that will cause harm or impose any liability on us. You indemnify us for any claims against us, including those from third parties, which arise from your use of energy beyond the meter. You indemnify us for any claims against us in the event that you permit electricity to leave the Premises and re-enter the distribution network and this gives rise to a claim against us. You agree that we will not be liable for any direct or punitive damages including economic loss resulting or arising from the non-performance of this Contract.

Force Majeure: We will not be in breach of our obligations under this Agreement to the extent that our failure to perform is caused by forces or circumstances beyond our reasonable control. Such forces or circumstances include, but are not limited to, unusually severe weather, flood, fire, lightning, drought, earthquake, failure of ERCOT or your

TDSP to transmit electricity or perform any of their obligations, or failure of performance of any of our suppliers, vendors or other third parties.

Assignment: You may not assign this Agreement without our prior written consent. We may assign, or otherwise dispose of the whole or any part of our interest in this agreement to a person or entity who acquires all or a substantial portion of the assets of our business of retailing electricity without your prior consent. Upon any such transfer or assignment, to which you hereby consent in advance, you agree that we shall have no further obligations to you.

Non-discrimination: We do not deny service or require a prepayment or deposit for service based on an applicant's race, creed, color, national origin, ancestry, religion, sex, marital status, lawful source of income, level of income, disability, familial status, location in an economically distressed geographic area, or qualification for low income or energy efficiency services. Frontier Utilities cannot use a credit score, a credit history, or utility payment data as the basis for determining the price for electric service on term plans of 12 months or less.

Information on other services: We may advise you of the availability of other services(e.g. supply of gas or dual energy offers for supply), which we or companies related to us can provide, until you inform us that you no longer wish to receive such information or material from us.

General: By initiating service with us, you certify that you are resident of the service address, at least 18 years of age, and that you are legally authorized to select the Retail Electric Provider for the service address. If different from the service address, the billing address is the address you provided at the time of your application to us. There are no third-party beneficiaries to this Agreement. This Agreement will be governed and construed in accordance with the laws of the State of Texas. The terms and conditions set forth are the final and entire Agreement between you and us regarding your purchase of electricity service (subject to applicable law), and supersede all previous promises, understandings and agreements. If any provision of this Agreement is deemed to be invalid, illegal or otherwise unenforceable, you and we agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If any such provision cannot be modified in such a manner, that would make it valid, legal and enforceable, such provision shall be severed from this Agreement, and all other provisions hereof shall remain in full force and effect. Any failure on our part at any time to enforce any term or condition of our service or to exercise any right under this Agreement shall not be considered a waiver of our right thereafter to enforce each and every such term and condition or to exercise such right or any other right under this Agreement.