



Residential Terms Of Service

Residential Terms of Service: This document explains the terms and conditions that apply to your purchase of electricity from Discount Power (Discount Power, we, our, us, DP). Your contract with us includes the Terms of Service ("TOS"), your enrollment authorization in writing, by telephone or the internet, the Electricity Facts Label (EFL), and the Your Rights as a Customer ("YRAC") disclosure document, as they may be amended from time to time. The terms "includes" or "including" mean "including without limitation." By accepting electric service from Discount Power, you are entering into a contract with us and you will be bound by the TOS.

Contact Information

Monday to Friday 8:30am to 5:30pm (excluding public holidays)

Local Houston area telephone: 713-423-6970

Toll-free telephone: 1-877-909-POWER (7693)

Fax: 281-781-2299

Website: www.DiscountPowerTX.com

Email: CustomerCare@DiscountPowerTX.com

Certificated Name: Nooruddin Investments, LLC (dba Discount Power)

REP Certificate Number 10161

Or, write us at:

Discount Power

1800 St. James Place, Suite 211

Houston, TX 77056

Pricing: You agree to pay the price indicated in the EFL and all amounts shown on your bill. Some products may require an advanced meter (smart meter) that records your usage more frequently and you will only be eligible for these prices if the appropriate meter and any other necessary equipment are installed at your location. You agree to pay any under/over utilization charges if they apply to your plan. Please see your EFL.

You agree to pay all applicable Taxes (see Taxes below) and any fees charged by any governmental entity. The price, non-recurring fees and Taxes will be reflected on your monthly bill as Current Charges.

Non-Recurring Fees and Charges:

You agree to pay non-recurring fees charged by the Transmission and Distribution Service Provider ("TDSP") that are necessary to implement and/or maintain electric service for you. Non-recurring fees by the TDSP may include service connection, disconnection or reconnection fees, meter test fees or special out-of-cycle meter read fees or any other fees assessed by the TDSP. Non-recurring fees will appear as line items on your bill.

In addition to the fees and charges stated in the EFL, we will charge \$29 for each payment transaction that is returned unpaid or not processed: 1) returned checks, 2) returned electronic fund transfers, and 3) rejected credit card transactions. This charge will be reflected as a NSF fee or returned payment charge on your monthly bill, if applicable. We may charge a fee of \$5.00 for any payment processed by a Discount Power customer care representative and for all services or transactions that may be completed through self-service processes either online with online account management, via web chat, or using our automated system. There is also a \$40 disconnect recovery fee if you fail to pay the past due amount before the expiration date of any disconnection notice issued by Discount Power (this fee will be assessed regardless of whether your electric service is actually disconnected). We may also charge a \$20 disconnection notice fee for issuance of an electric service disconnection notice (this fee will be assessed regardless of whether your electric service is actually disconnected). There is also a \$40 reconnection recovery fee in the event that Discount Power processes a reconnection transaction on your account. Such fees/charges are in addition to any disconnect/reconnect fees/charges that may be assessed by your TDSP, and are assessed regardless of whether or not your electric service is actually disconnected by the TDSP. If you are enrolled in a product for which e-billing is required, you may be charged a document processing fee of \$2.00 for bills that you request be mailed because this is not the standard method of delivery for this product. If you do not pay your bill by the due date, we may charge you a late charge of 5% on the amount for the previous month's past-due electric service.



Residential Terms Of Service

Billing, Payment and Payment Arrangements

We will provide a monthly bill that will include current charges and the amount due that will be due and payable 16 calendar days from the date shown on the bill, except you agree that we may issue a bill less frequently if we do not receive meter readings or usage information from the TDSP or Electric Reliability Counsel of Texas ("ERCOT") in time to prepare and send a monthly bill. We may also issue bills less frequently or send your bills electronically if you agree to accept alternate arrangements. If you do not pay your bill by the due date, we may charge you a late charge of 5% on the amount for the previous month's past-due electric service. Late payment penalties will not exceed the maximum amount permitted by Law. If you fail to make timely payments of the amounts due under this contract, we reserve the right to refer the outstanding balance to an attorney or collection agent for collection. If we refer your outstanding balance to an attorney or collection agent for collection, or if we file a lawsuit, or collect your outstanding balance through probate, bankruptcy, or other judicial proceedings, then you agree to pay reasonable fees and expenses (including attorney fees) that we incur in the collection process. "Law" means any law, statute, regulation, rule, ERCOT protocol, exchange rule, decision, writ, order, decree or judgment or any interpretations by any court, agency or instrumentality that has jurisdiction, including ERCOT. Acceptance by Discount Power of any partial payment from you will not relieve you of your obligation to pay the full amount owed. Public Utility Commission of Texas (PUCT) rules and guidelines mentioned in this document can be viewed at:

<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>

You agree to receive your bills electronically or online through our website. If you are enrolled in a product for which e-billing is required, you may be charged a document processing fee of \$2.00 for bills that you request be mailed because this is not the standard method of delivery for this product. You agree to pay your bill by Auto-Debit via Bank Draft or Auto-Debit via Credit Card. If you pay any bill by any other method, you will be charged a fee of \$5.00 per occurrence.

We reserve the right to adjust your bill. We may calculate a bill based on estimated meter readings absent actual meter readings from the TDSP or ERCOT. Once actual meter readings are received, we will issue a bill or make adjustments on a subsequent bill. If you agree to purchase other products or services from us or you purchase products or services that are offered by us but provided from third parties (Third Party Services), you acknowledge that the bill we provide you may include the charges for those products and services. We will apply all payments you make on your bill first to the amounts you owe us for electric service.

Please call us if you anticipate having difficulty paying your bill by the due date. You may be eligible for payment assistance or a deferred payment plan. A deferred payment plan allows you to pay an outstanding bill in installments that extend beyond the due date of the next bill. Deferred payment plans are also available for customers whose bills become due during an extreme weather emergency as declared by your TDSP; during a state of disaster declared by the governor in the area covered by the declaration, as directed by the PUCT; or to customers who were previously under-billed by \$50.00 or more. If the under-billing is \$50.00 or more, we will offer a deferred payment plan option for the same length of time as that of the under-billing. A deferred payment plan may not be offered to customers whose underpayment is due to theft of service.

If you are not currently on a deferred, budget billing, or average payment plan, we will make a deferred payment plan available, upon request, for a bill that becomes due in July, August, or September to a residential customer that meets the following requirements: 1) customers receiving the Low Income Telephone and Electric Discount Program ("LITE-UP") discount; 2) customers designated as critical care residential customers or chronic condition residential customers; or 3) customers who have expressed an inability to pay unless they have been disconnected during the preceding 12 months, have submitted more than two payments during the preceding 12 months that were found to have insufficient funds available, or have received service from us for less than three months and demonstrate a lack of sufficient credit or a satisfactory payment history with their previous electric service provider. You may choose: (a) a plan that requires an initial payment no greater than 50% of the amount due and the remainder paid over at least five billing cycles a level or (b) an average payment plan.

Similarly, we will make a deferred payment plan available upon request for the same types of customers for a bill that becomes due in January or February if, in the prior month, the TDSP notified the PUCT of an extreme weather emergency for the customer's county in the TDSP service area for at least five consecutive days during the month. The disconnect recovery charge



Residential Terms Of Service

will be assessed on your account if you do not pay the past due amount before the date your service is subject to disconnection as stated on your disconnection notice regardless of an extension on your account for any reason, including your eligibility for payment assistance or a deferred payment plan. A Discount Power energy assistance program is also available to provide payment assistance to qualified customers who have experienced an emergency or temporary hardship impacting their financial status. The program is funded in part by contributions from Discount Power customers. You may contribute to this program on your bill each month. Discount Power also offers energy efficiency programs to all customers, including low-income customers.

Deposits:

We do not deny service based on your credit score. However, you may have to provide an initial deposit before receiving electricity service if you cannot demonstrate satisfactory credit. An initial deposit may also be required to continue to receive electricity service, if you have been late paying your bill more than once during the last 12 months or your service has been disconnected for non-payment. You may be required to provide an additional deposit to continue to receive electricity service if (1) your average annual electric service bill for the last 12 months is at least twice the amount of the original estimated annual bill, and (2) a notice for disconnection has been issued in the previous 12 months. If a deposit is required, the total amount of your deposit will not exceed an amount equal to the greater of either (1) the sum of the next two months estimated billings, or (2) one-fifth of the estimated annual billing.

If we hold your cash deposit longer than 30 days, your deposit will accrue interest from the day we received it at the interest rate established annually by the PUCT. We will credit any accrued interest on your deposit to your account either on your January bill each year or on your final bill.

If you are LITE-UP qualified and are required to pay a deposit greater than \$50, you will be eligible to pay your deposit in two installments. You must provide evidence of enrollment in a Texas Department of Human Services ("TDHS") program. Instead of paying a cash deposit, you may provide a guarantee agreement signed by an active Discount Power customer with satisfactory credit. You also may avoid paying a deposit if (1) you submit a credit reference letter from your previous electric service provider confirming your positive payment record for 12 consecutive months during the past two years, (2) you have a satisfactory credit rating through a consumer reporting agency, (3) you are at least 65 years of age and you do not have a delinquent balance with your current electric service provider, (4) you are medically indigent or, (5) you have been a victim of family violence and can provide a certification letter by the Texas Council on Family Violence. Please contact us for additional information if you believe you may be eligible for one of these options. You may send your letters to us by fax at 281-781-2299.

If you establish satisfactory credit with us by making timely payments for 12 consecutive months, then we will apply the deposit plus accrued interest to your account or cancel the guarantee agreement. If you do not establish satisfactory credit with us during the time you receive service from us, then we will apply the deposit plus accrued interest against the outstanding balance on your final bill or transfer the outstanding balance equal to the deposit identified in the guarantee agreement to the guarantor's account for payment in accordance with the guarantee agreement. We will bill you for any remaining balance and the bill will be due upon receipt. We will refund any credit balance to you or transfer the credit balance to your new Retail Electric Provider ("REP"), at your request and with your new REP's consent.

Right of Rescission: If you are switching to Discount Power from another REP, you may rescind this TOS within three federal business days, after receiving this TOS, without penalty. PUCT rules permit Discount Power to assume that you will receive this TOS three (3) federal business days after we mail it to you. Please include the following should you choose to rescind:

- 1) Request to rescind contract
- 2) Name, address, phone number
- 3) Account Number or ESID Number

You may call us to rescind at, 713-423-6970 or toll free at 1-877-909-POWER (7693), fax us at 281-781-2299, or e-mail us at CustomerCare@DiscountPowerTX.com to rescind your TOS.

Rewards: If you signed up for an electricity plan using a promo code upon which you are eligible to receive a reward, in order to receive and redeem such award, you must (i) be an active customer and in good standing with Discount Power (as determined in our sole discretion) for at least 30 days from the time you signed up for an electricity plan (ii) not be delinquent in any



Residential Terms Of Service

payments due (iii) not otherwise be in default under this TOS and (iv) continue to maintain a valid email address in our account profile. Please allow at least 4-6 weeks for delivery of any reward.

Contract Term. Your contract term is stated in the EFL. Your service with us will begin on the date of your first meter read following your confirmed enrollment with us and will continue for the period stated in the EFL. At the end of your contract term, you may cancel or terminate your contract by switching to a new provider. If you cancel the contract before the end of your contract term, you agree to pay the penalty or fee for early cancellation indicated in the EFL, if any, and you must select another REP to continue to receive electric service. Additionally, if you received any type of incentive upon enrollment and do not complete your contract term, you will be responsible for that portion of the incentive associated with your remaining contract term – i.e., incentive divided by original contract term multiplied by the remaining contract term. Any Third Party Services that are included on your bill will automatically terminate when your electric service contract with us is cancelled. If you move from your existing premise during the contract term and provide a forwarding address to us, you will not be responsible for the termination fee stated in the EFL. We may also request that you provide reasonable evidence that you no longer occupy the location covered by the contract. In order to ensure timely processing, you should notify us at least 3 days before the requested termination date. Our obligations will end after the meter read date where we are no longer designated as your REP or when your electric service is disconnected by the TDSP. Your obligations under the contract will end when your account balance is paid in full.

Disconnection of Your Electric Service

WE MAY REQUEST DISCONNECTION OF YOUR ELECTRIC SERVICE IF YOU DO NOT PAY YOUR DEPOSIT OR THE PAST DUE AMOUNT OF YOUR ELECTRIC SERVICE BILL IN FULL BY THE DUE DATE ON THE DISCONNECT NOTICE. We will notify you before we disconnect electric service, as authorized by the PUCT. We may request disconnection of your electric service without prior notice immediately under specific situations, including the existence of a dangerous condition at your service address or theft of service.

Customer Care, Alternate Billing and Payment Options

If you have any questions, concerns, billing inquiries, or you are interested in applying for the following services we offer, please contact us at 713-423-6970 or toll free at 1-877-909-POWER (7693).

Average Billing: The Average Billing option helps you manage your electricity budget by allowing you to pay an averaged amount every month. To calculate the amount that you will pay each month, we add your current bill amount to your previous 11 bill amounts for your service address, if available. We then take the total and divide the amount by 12 or by the total months available for your service address. If you do not have previous bills in your name at the service address or if you do not have 11 monthly bills at the service address, we take the previous usage that is available for the service address and apply your current price to calculate your average monthly payment amount. Finally, we add or subtract 1/12th of any Deferred Balance that you have accumulated. The Deferred Balance is any difference between your average monthly payment amount and your actual monthly can be found on your Discount Power monthly bill. In the event the contract is canceled or terminated or your electric service is disconnected the Average Billing option does not affect your obligation to pay for all actual usage.

Automatic Bank Draft/Credit Card Pay: You may conveniently pay your bill by automatic bank draft or by Visa, MasterCard or Discover.

Online Account Management: You may receive, view and/or pay your bill electronically through our online account management.

Antidiscrimination: We cannot deny service or require a prepayment or deposit for service based on your race, creed, color, national origin, ancestry, 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.

We also cannot use a credit score, a credit history, or utility payment data as the basis for determining the price for electric service for products with a contract term of 12 months or less.



Residential Terms Of Service

Critical Care and Chronic Condition Customer

If you have a person permanently residing in your premise who has been diagnosed by a physician as being dependent upon an electric-powered medical device to sustain life, you may apply for designation as a Critical Care Residential Customer. If you have a person permanently residing in your premise who has been diagnosed by a physician as having a serious medical condition that requires an electric-powered medical device or electric heating or cooling to prevent the impairment of a major life function through a significant deterioration or exacerbation of the condition, you may apply for designation as a Chronic Condition Residential Customer. To be considered for such designation, the PUCT-approved form must be submitted by facsimile or other electronic means to the TDSP by a physician. The TDSP will notify you of the final status of your designation as a Critical Care or Chronic Condition Residential Customer, and will notify you when such designation will expire and whether you will receive a renewal notice. The TDSP will also notify us about your status. Designation as a Critical Care or Chronic Condition Residential Customer does not relieve you of your obligation to pay for electric service that you receive from us.

Power Outages and Emergencies

Please call the telephone number listed on your bill if you have an electrical emergency or a power outage.

Dispute or Complaints

If you have any questions, concerns, or complaints, please contact us. In the unlikely event we cannot immediately respond to your question or complaint, we will promptly investigate the matter and report our findings to you. During this time, you will not be required to pay the disputed portion of your bill. If for any reason you are not satisfied with our response, you may contact the PUCT.

Limitations of Liability

YOU AGREE THAT CAUSES AND EVENTS BEYOND OUR CONTROL, INCLUDING ACTS OF GOD, ACTS OF ANY GOVERNMENTAL AUTHORITY, ACCIDENTS, STRIKES, LABOR TROUBLE, AND EVENTS OF FORCE MAJEURE OCCURRING WITH RESPECT TO THE TDSP, ERCOT, OR OTHER THIRD PARTY SYSTEMS OR ASSETS (A FORCE MAJEURE EVENT), MAY RESULT IN INTERRUPTIONS IN SERVICE AND THAT WE WILL NOT BE LIABLE FOR THOSE INTERRUPTIONS. YOU ALSO AGREE THAT WE ARE NOT RESPONSIBLE FOR GENERATING YOUR ELECTRICITY OR FOR TRANSMITTING AND DISTRIBUTING ELECTRICITY TO YOUR SERVICE ADDRESS. FURTHERMORE, YOU AGREE THAT WE WILL NOT BE LIABLE WITH RESPECT TO ANY THIRD PARTY SERVICES; THAT OUR LIABILITY NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY; AND NEITHER OF US ARE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. YOU WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THESE LIMITATIONS APPLY EVEN IF THE DAMAGES RESULT FROM NEGLIGENCE, WHETHER SOLE, JOINT, CONCURRENT, OR ACTIVE OR PASSIVE. THERE ARE NO THIRD PARTY BENEFICIARIES TO THE CONTRACT.

REPRESENTATIONS AND WARRANTIES

THE ELECTRICITY SOLD UNDER THIS CONTRACT WILL BE SUPPLIED FROM A VARIETY OF GENERATING SOURCES. IF YOU ELECT TO PURCHASE A RENEWABLE ENERGY PRODUCT, WE WILL ENSURE THAT THE APPROPRIATE AMOUNT OF RENEWABLE ENERGY CREDITS (RECs) IS RETIRED TO AUTHENTICATE THE RENEWABLE ENERGY CONTAINED IN THE PRODUCT. THE TDSP OR ERCOT SYSTEM WILL NOT DELIVER ELECTRICITY FROM A SPECIFIC GENERATING SOURCE TO YOUR SERVICE ADDRESS. IF YOU PURCHASE RENEWABLE ENERGY FROM US, YOU ARE PROVIDING FINANCIAL SUPPORT FOR RENEWABLE ENERGY GENERATION SOURCES AND NOT RECEIVING THE PRECISE ENERGY GENERATED FROM THAT SOURCE. WE MAKE NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THE CONTRACT, AND WE EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY, CONFORMITY TO MODELS OR SAMPLES AND FITNESS FOR A PARTICULAR PURPOSE.

Taxes

You will be responsible and guarantee us for any and all Taxes. "Taxes" means all federal, state and local taxes, fees, governmental charges, and assessments presently or hereafter imposed on you as purchaser of electricity, on us as seller of electricity, or on electricity sales transactions, including gross receipts taxes, municipal administrative fees, and generation, utility, TDSP, regulatory, BTU or electricity taxes and assessments.

Provisions that Survive

Obligations regarding indemnity, payment of Taxes, limitations of liability, and waivers will survive the termination of the contract indefinitely.



Residential Terms Of Service

Unenforceability

If either party or its activities under the contract become subject to any Law enacted during the contract term that renders the contract unenforceable or illegal, then either you or Discount Power may terminate the contract without the consent of, and upon 30 days' notice to, the other, and without any obligation, payment or otherwise (other than payment obligations for electricity previously supplied to you).

Governing Law

YOUR CONTRACT WITH DISCOUNT POWER IS GOVERNED BY THE LAWS OF THE STATE OF TEXAS. THE TEXAS UNIFORM COMMERCIAL CODE APPLIES TO THE TERMS OF SERVICE AND ELECTRICITY IS DEEMED A "GOOD". The Uniform Commercial Code can be viewed at the following website:<http://www.statutes.legis.state.tx.us/?link=BC>

Assignment

You may not assign your contract with us, in whole or in part, or any of your rights or obligations under the contract without our prior written consent. Discount Power may, without your consent, (i) as part of any financing or other financial arrangements, assign, sell or pledge this agreement or its accounts, revenues, or proceeds, or (ii) assign this agreement to an affiliate of Discount Power or to any other person or entity succeeding to all or a substantial portion of the assets of Discount Power.

Waiver: If either of us waives any one or more defaults by the other in the performance of any of the provisions of the contract, then such waiver will not be construed as a waiver of any other default or defaults whether of a like kind or of a different nature.

PRODUCT TYPE SECTION

Discount Power offers the following product types. Only the specific section for your product type will apply to your contract. **Your EFL contains your specific product type and term information. Your EFL is available for your reference on the product detail page of the plan you choose.**

Fixed Rate Products

Changes to Contract Provisions

We can make changes to the provisions of the contract at any time during the contract term with appropriate notice except for changes to your price other than stated in this section or the length of your contract term. We will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price during the contract term is only subject to change to reflect changes in the TDSP charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to load or changes resulting from federal, state or local laws that impose new or modified fees or costs on REPs, including Discount Power, that are beyond the control of REPs.

Contract Expiration Notice

A contract expiration notice will be sent to you at least 30 days before the end of your initial contract term specified in your EFL. If you do not take action to ensure that you continue to receive service upon the expiration of your contract you will continue to be served by us automatically under a default renewal product on a monthly basis after the end of your initial contract term, until you switch to another provider, select another Discount Power electric service plan, or we terminate or disconnect your electric service.



Residential Terms Of Service

Indexed Products

Indexed Products (Term)

Changes to Contract Provisions

We can make changes to the provisions of the contract at any time during the contract term with appropriate notice except for changes to pricing formula or the length of your contract term. We will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price during the contract term will vary as set forth in your EFL and may also change to reflect changes in the TDSP charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to load or changes resulting from federal, state or local laws that impose new or modified fees or costs on REPs, including Discount Power, that are beyond the control of REPs.

Contract Expiration Notice

A contract expiration notice will be sent to you at least 30 days before the end of your initial contract term specified in your EFL. If you do not take action to ensure that you continue to receive service upon the expiration of your contract you will continue to be served by us automatically under a default renewal product on a monthly basis after the end of your initial contract term, until you switch to another provider, select another Discount Power electric service plan, or we terminate or disconnect your electric service.

Indexed Products (Month to Month)

Changes to Contract Provisions

We can make changes to the provisions of the contract at any time with appropriate notice except for changes to the length of your contract term. We will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price will vary as set forth in your EFL and may also change to reflect changes in the TDSP charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to load or changes resulting from federal, state or local laws that impose new or modified fees or costs on REPs, including Discount Power, that are beyond the control of REPs.

Variable Products (Month to Month)

Changes to Contract Provisions

We can make changes to the provisions of the contract at any time with appropriate notice except for changes to the length of your contract term. We will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price will vary according to a method determined by Discount Power as set forth in your EFL.