



New Jersey Residential Terms & Conditions

Your Residential Energy Sales Agreement ("Agreement") with Gateway Energy Services Corporation ("Gateway Energy"), an independent supplier, shall consist of: (i) your telephonic, electronic or written agreement to initiate service and begin enrollment with Gateway Energy ("Enrollment Consent") and (ii) the terms and conditions contained below. Throughout this document, the words "you" and "your" refer to the customer identified in the Enrollment Consent. The words "we", "us" and "our" refer to Gateway Energy.

Electricity or Natural Gas Emergencies

In the event of an electricity or natural gas emergency or service interruption, contact your local distribution company ("utility") at one of the telephone numbers listed below. You should also contact your local emergency personnel.

Atlantic City Electric: 1-800-833-7476; Elizabethtown Gas: 1-800-492-4009; JCP&L: 1-888-544-4877; New Jersey Natural Gas: 1-800-427-5325; PSE&G: 1-800-436-7734; Rockland Electric 1-877-434-4100; or South Jersey Gas: 1-800-582-7060

Agreement to Sell and Purchase Energy

You agree to purchase, and we agree to sell to you, all of the electricity or natural gas necessary to satisfy your requirements for the utility account(s) identified in your Enrollment Consent during the term of the Agreement. You agree to initiate service and begin enrollment with us. You appoint us as your agent to acquire the supplies necessary to meet your electricity or natural gas needs. Your utility will continue to provide delivery services and respond to leaks or other emergencies should they occur. You agree to accept the measurements as determined by the utility for purposes of accounting for the electricity or natural gas supplied by the utility. If the utility is unable to read your meter, the utility will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill.

Term

This Agreement shall be binding as of the date your enrollment or re-enrollment is accepted by us, which will not be before the expiration of your 7-day right of rescission as required under the New Jersey Board of Public Utilities ("NJ BPU"). Our actual supply of electricity or natural gas under this Agreement shall begin on the date that the utility deems your switch to us effective or the date that the utility deems your rate change effective for rate-plan changes. Your switch or rate change may take up to 2 billing cycles to take effect. Regardless of the actual effective date of this Agreement, you will only be charged for supply under this Agreement once we have begun the supply of electricity or natural gas. For Fixed-Rate Plans, your initial term is the term specified in your Enrollment Consent plus an additional 3 months of variable-rate service ("Initial Term"). Upon expiration of your Initial Term, your Agreement shall automatically renew on our variable rate, but on a month-to-month basis unless one party notifies the other party in writing, at least 30 days prior to the anticipated renewal date that it does not wish for the Agreement to renew. For Variable-Rate Plans, your term is month-to-month and will continue until either party terminates this Agreement as per the Termination section of this document.

Material Change Notice

From time to time, we may make changes to our terms and conditions. If we make any changes that are material to your Agreement, we will send you a written notice at least 30 days prior to making such changes. The changes will automatically take effect unless you notify us within 25 days after the date of our written notice that you wish to terminate this Agreement instead of accepting the changes.

Price

The price for all electricity or natural gas sold under this Agreement shall be the rate agreed to in the Enrollment Consent or in the terms of this Agreement, plus all applicable taxes. There are no additional fees for switching your electricity or natural gas service. Our price does not include utility distribution service and other utility-related charges, which are separate amounts that you must pay to the utility. Additional details are below:

Variable-Rate Plan: The price for all electricity or natural gas sold under our Variable-Rate Plan is a rate set by us each month based on our evaluation of a number of factors that affect the total price of electricity or natural gas to a customer. The following description is not exhaustive of all factors that may influence our pricing decision each month, but it does describe the major components that influence our analysis in a typical month. Each month our management uses the information described below, along with numerous other considerations, to determine how low a price we can charge in the upcoming month.

- We determine the cost of all electricity or natural gas (including, where applicable, transmission costs, storage costs, transportation costs and line losses) that we have already obtained for delivery to customers in your utility territory for the upcoming month. Because we often acquire supply over time in preparation for future delivery needs (in an effort to mitigate the volatility in price) and do not acquire all of our required electricity or natural gas from the spot market, our supply costs may not directly follow spot market prices.
- If additional supplies of electricity or natural gas will be required for the upcoming month, we will determine the anticipated cost to acquire such additional supplies from the spot market.
- If we expect to have surplus supply for the upcoming month, we evaluate the expected income we may receive from selling the surplus. Additionally, with electricity, we may expect to have surplus or shortfall in any given hour of the upcoming month. In this case, we evaluate the expected income or costs that may be incurred by eliminating the surplus or shortfall.
- We evaluate, if known, the prices that your utility and other competitors in your area plan to charge in the upcoming month.
- We evaluate the amount of profit we hope to earn from the sale of electricity or natural gas in your utility territory.
- We evaluate any taxes that must be included in the rate we charge for electricity or natural gas in your jurisdiction.

- From time to time, and as a direct result of sudden or drastic increases in price, we may experience a higher level of cost to supply our customers than we wish to bill our customers in a single period. In these circumstances, we may amortize this expense to our customers over multiple billing cycles.
- The variable rate you will be billed is based on your utility service class.

Price-Protection Plan: The price you will pay for all electricity or natural gas under our Price-Protection Plan is a variable rate, as described above, but with a ceiling rate and a premium as specified in your Enrollment Consent. The premium represents the cost of locking in to your ceiling rate. If the variable rate rises above the ceiling rate, you will pay no more than the ceiling rate plus the premium.

Fixed-Rate Plan: The price you will pay for all electricity or natural gas under our Fixed-Rate Plan is the rate as specified in your Enrollment Consent, followed by Gateway Energy's variable rate as described in the Term section of this document.

Contact Us

You may contact our Customer Care Department at 1-800-805-8586 9 a.m.–8 p.m. ET, Monday–Thursday and 9 a.m. –6 p.m. ET, Friday. Hours subject to change. You may write to us at: Gateway Energy Services Corporation, PO Box 180, Tulsa, OK 74101-0180 or e-mail us at customercare@gesc.com.

Customer Rights and Information

You will receive a confirmation notice for your choice of supplier and have 7 calendar days from the date of such notice to contact your utility and rescind the selection. **This agreement is not binding until the 7-day confirmation period has expired and you have not rescinded the supplier selection.** You may obtain additional information by contacting us as provided above, or by calling the NJ BPU's Division of Consumer Relations at 1-800-624-0241. Gateway Energy is licensed by the NJ BPU and its license number is GSL-0146 (for natural gas) and ESL-0166 (for electricity).

Information Release Authorization

Your signature on the Enrollment Consent is your authorization for us and our agents to obtain and review information regarding your credit history from credit-reporting agencies, and information from the utility, which could include: account number; phone number; address; meter-read, service- or rate-class data; electric or gas consumption history; billing determinants; and payment history. We may use such information to determine whether to begin or to continue to provide you with energy supply service, and to bill and collect monies owed. These authorizations shall remain in effect as long as the Agreement is in effect. You may rescind these authorizations at any time by either calling or providing written notice to us. We reserve the right to reject your enrollment or terminate our Agreement with you, in whole or with respect to any particular account(s) covered by the Agreement, in the event these authorizations are rescinded, you fail to meet or maintain satisfactory credit standing as determined by us, or fail to meet minimum or maximum threshold consumption levels as determined by us. If you fail to remit payment in a timely fashion, we may report the delinquency to a credit-reporting agency. If you have provided an e-mail address, notices sent via e-mail shall constitute written notice under these terms and conditions.

Dispute Resolution

If you have a billing dispute involving our service, please contact our Customer Care Department. You must still pay your bill in full, but may deduct the specific amount in dispute while the charges remain in dispute. If the dispute cannot be resolved within 45 days, a complaint or request for an Alternate Dispute Resolution procedure may be submitted by either party by contacting the NJ BPU at 1-800-624-0241.

Termination

You may cancel service under this Agreement at any time during the Initial Term, subject to paying Gateway Energy an early cancellation fee as set forth in your Third Party Supplier Contract Summary by contacting our Customer Care Department at the number provided in the Contact Us section of this document. Any or all of your account(s) that are terminated or cancelled shall be returned to the utility unless you contract with another supplier for electricity or natural gas supply. We may terminate the Agreement for reasons such as nonpayment, utility-initiated drop to dual billing, or other breach of contract at any time, in whole or with respect to any particular account(s) covered by the Agreement by providing you with 30 days' advance written notice of such termination. You will have 30 days to remedy the termination reason; however, we reserve the right to terminate this Agreement regardless of whether or not a remedy is provided. In the event of a termination of this Agreement by either party, it may take several billing cycles for your account(s) to be returned to the utility or picked up by another supplier. You are required to pay all of the charges for the electricity or natural gas supplied by us until such time as the utility or other supplier actually begins supplying the electricity or natural gas to your account(s).

Billing and Payment

Depending on your location and other relevant factors, you will receive either: (i) one bill from your utility, which will include our charges (for the supply) as well as the utility charges (for the delivery), or (ii) separate bills from Gateway Energy and your utility. Past-due charges may incur a late fee of 1.5% per month or the interest rate posted in your utility's tariff. If you fail to remit payment when due, or if you breach any of the other terms and conditions of the Agreement, then, in addition to any other remedies we may have, we have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 30 days' written notice, provided that you do not make payment or correct the problem that caused the termination within the 30-day period. Failure to make full payment may be grounds for disconnection of utility services. A \$20 fee per account may be assessed for any payment returned due to insufficient funds. If any payments made by you directly to us are rejected two times in a one-year period, the only form of payment acceptable will be a certified check, money order or electronic funds transfer. If you make a payment for a lesser amount, which includes a statement or letter indicating that the lesser payment constitutes full payment, we may accept such payment without prejudice to any other rights or remedies that we may have against you and we may apply it to your account(s) as a partial payment.

Title

All electricity or natural gas sold pursuant to the Agreement shall be delivered to a location ("Point of Delivery"), which shall



constitute the point at which the sale occurs and title to the energy passes to you from us. For natural gas, the Point of Delivery shall be the point where the utility interconnects with the interstate pipeline. For electricity, the Point of Delivery shall be, depending on the specific transaction, either a location outside the State of New Jersey or Gateway Energy's PJM load bus that corresponds to the utility or zone in which the meter is located.

Default Liability

Our liability shall be limited to direct actual damages only, which will not exceed the amount of your single largest monthly invoice during the preceding 12 months. In no event shall we be liable for any punitive, incidental, consequential, exemplary, indirect, third-party claims or other damages whether based on contract, warranty, tort, negligence, strict liability or otherwise, or for lost profits arising from a breach of the Agreement.

Governing Law

This Agreement is made and shall be construed in accordance with the laws of the State of New Jersey. If, at some future date, there is a change in any law, rule or pricing structure which shall have a detrimental economic impact upon our performance under the Agreement; or in the event that compliance with such change shall result in a material change in the way prices are calculated under the Agreement; or we are otherwise prevented, prohibited or frustrated from fulfilling our obligations under the Agreement; we shall have the right to terminate the Agreement, in whole or with respect to any particular account(s) covered by the Agreement, upon 30 days' notice.

Assignment

You may not assign the Agreement, in whole or in part, or any of your rights or obligations without our prior written consent. We may, without your consent: (a) transfer, sell, pledge, encumber or assign the Agreement or the accounts, revenues or proceeds in connection with any financial or billing services agreement; (b) transfer or assign the Agreement, in whole or in part, to an affiliate of Gateway Energy, or any other approved third party supplier or entity authorized by the NJ BPU. This Agreement shall be binding on each party's successors and legal assigns.

Severability

If any provision of the Agreement is held by a court or regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force without being invalidated in any way.

No Warranties

We provide no warranties, express or implied, and we specifically disclaim any warranty of merchantability or fitness for a particular purpose. Additionally, unless expressly stated otherwise on your Enrollment Consent, we specifically disclaim any warranty or guaranty that the price charged by us for the energy supplied pursuant to the Agreement will be lower than the price that you would have been charged by the utility or another third-party supplier.

Delay or Failure to Exercise Rights

No partial performance, delay or failure on our part in exercising any rights under the Agreement and no partial or single exercise thereof shall constitute a waiver of such rights or of any other rights hereunder.

Force Majeure

We shall make commercially reasonable efforts to provide service, but do not guarantee a continuous supply of energy.

Certain causes and events out of our control ("Force Majeure Events") may result in interruptions in service. We shall not be liable for any such interruptions caused by a Force Majeure Event. We do not transmit or deliver energy. Therefore, we are not and shall not be liable for damages caused by Force Majeure Events, including acts of God; acts of any governmental authority; accidents; strikes; labor disputes; required maintenance work; inability to access the utility's system; non-performance by the utility, including, but not limited to, a facility outage on its distribution lines; changes in laws, rules or regulations of any governmental authority; or any cause beyond our control.

Taxes and Laws

Except as otherwise provided in the Agreement or by law, all taxes due and payable with respect to your performance of your obligations under the Agreement, shall be paid by you. Any lawful tax exemption will only be recognized on a prospective basis from the date that you provide valid tax-exemption certificates to us.

Entire Agreement

The Agreement (including the Enrollment Consent) sets forth the entire agreement between the parties. Any and all prior or contemporaneous agreements, understandings and representations between the parties, whether verbal or written, are superseded by the Agreement.