CHAMPION ENERGY SERVICES®
A Calpine Company

Terms of Service

The following Terms of Service (TOS) will apply to residential customers who select Champion Energy Services, LLC (Champion) as their Retail Electric Provider (REP). This TOS, combined with Your Rights as a Customer (YRAC), Electricity Facts Label (EFL), and welcome letter or email that contains your plan summary (Plan Summary) collectively constitute your contract (Contract) with Champion. As your REP, Champion will arrange for the delivery of electricity from your Transmission Distribution Utility (TDU) to your service location pursuant to this Contract. The words "Champion", "we," "us," and "our" refer to Champion Energy Services, and the words "you" and "your" refer to the Customer.

REP: Champion Energy Services, LLC

Corporate Address:
1500 Rankin Road, Suite 200
Houston, TX 77073

Address to Mail Payments:
PO Box 4190
Houston, TX 77210

Internet Address: www.championenergyservices.com
Email: support@championenergyservices.com

Customer Care Hours: 24 hours a day, 7 days a week
Customer Care Toll-Free: 1.877.653.5090
Office Hours: 8AM-5PM, M-F, CST

PUCT No. 10098

RIGHT OF RESCISSION

If you are switching your electric service to Champion, as opposed to starting service at a new location or "moving in," you have the right to rescind your acceptance of this Terms of Service without fees or penalties of any kind, within three (3) federal business days after receiving this Terms of Service. You may rescind either by phone toll free at 1.877.653.5090, fax at 281.653.5080, or email at support@championenergyservices.com. Please provide your name, address, phone number, Electric Service Identifier (ESI-ID), and a statement that you are rescinding your Contract under the three-day Right of Rescission. If your termination requires an early meter read by your TDU, you will be charged a fee established by your TDU. You are responsible for all charges incurred through the date termination is effectuated by the TDU.

To report a power outage, please select your TDU's 24-hour service line from the list below:

CenterPoint (Houston and surrounding areas): 1.800.332.7143
Oncor Electric Delivery (DFW and West Texas): 1.888.313.4747
AEP Central (CP&L Area): 1.866.223.8508
AEP North (WTU Area): 1.866.223.8508
Texas-New Mexico Power Company (First Choice): 1.888.866.7456

ELIGIBILITY

The following TOS apply strictly to residential non-demand metered electric service. Customer's eligibility for the Energy Price provided herein is based on Customer representing and warranting that Customer's residential load profile classification qualifies for residential service as defined by the PUCT Substantive Rules. Customer agrees to notify Champion in advance of any material variance in demand and consumption that may materially impact Customer's load profile under these TOS. Champion reserves the right upon receiving such notice or other information evidencing a load profile that does not qualify for residential service to provide Customer with fourteen (14) days advance written notice of any material changes Customer will incur under the applicable TOS for your then current load profile. You will have the right to cancel this Contract without penalty or fee prior to the date of Champion effectuating the change to the appropriate TOS. If you do not cancel your Contract with Champion before the effective date of the change, the change will become effective on the date stated in your notice.

Champion does not and cannot deny residential electric service or determine eligibility for pricing based on a credit score, credit history, or utility payment data as the basis for determining the price of electric service for a product with a contract term of 12 months or less. Champion does not and cannot deny service or require prepayment or deposit for service based on a Customer's or applicant's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of a customer/applicant in an economically distressed geographic area, or qualification for low income or energy efficiency services.

Champion reserves the right to deny service to any applicant or Customer for the following reasons: if the installation or equipment used by applicant or Customer is known to be hazardous; if the applicant or Customer does not comply with all local and state regulations; if the applicant or Customer fails to comply with the TDU tariff pertaining to operation of nonstandard equipment or unauthorized attachments that interfere with the service of others; if the applicant applies for service at a location where another customer received, or continues to receive, service and the REP can reasonably demonstrate that the change of account holder and billing name is made to avoid or evade payment of a bill owed to the REP; if the applicant or Customer owes a bona fide debt to Champion for electric service; if the applicant or Customer has acted as a guarantor for another applicant or Customer and failed to pay the guaranteed amount, where such guarantee was made in writing and was a condition of service; and if the applicant or Customer fails to comply with the credit and deposit requirements set forth in this TOS.

PRODUCT TYPES

Champion offers the following product types. Your product will be as specified on your EFL.

1) Fixed Rate Products

Term and Pricing – Fixed rate products have a contract term of at least three months. Your Contract Term and Energy Charge will be as reflected on your Plan Summary and EFL. The price of a fixed rate product may only change during a contract term to reflect actual changes in TDU charges; changes to the Electric Reliability Council of Texas (ERCOT) or Texas Regional Entity administrative fees charged to loads; or changes resulting from federal, state or local laws that impose new or modified fees or costs on REPs, including Champion, that are beyond our control. Price changes resulting from these limited circumstances do not require us to provide you with advance notice; however, each bill issued for your remaining Contract Term will notify you that a price change has been made.

Changes to Contract Provisions – Non-price related changes to the provisions of fixed rate products can be made by providing you with advance notice, with the exception that we cannot change the length of your Contract Term. We will notify you at least fourteen (14) days before the change is applied to your bill or otherwise takes effect. If you do not cancel your Contract before the effective date of the change, the change will become effective on the date stated in your notice. Notice is not required for a change that benefits you.

2) Variable Price Products

Term and Pricing – Variable price products have a contract term of thirty-one (31) days or less and a price that may vary without advance notice according to a method determined by the provider. The price of a variable price product can change after the first billing cycle at the discretion of the provider without contacting the customer first. Your EFL contains specific information about how your price can change.

Changes to Contract Provisions – We can make non-price related changes to the provisions of your Contract and the pricing formula by providing you with advance notice, with the exception that we cannot change the length of your Contract Term. We will notify you at least fourteen (14) days before the change is applied to your bill or otherwise takes effect. If you do not cancel your Contract before the effective date of the change, the change will become effective on the date stated in your notice. Notice is not required for a change that benefits you.

PRICING

Champion will bill you the Energy Charge for your Contract Term. Your Energy Charge is a per kWh charge as set forth in the Electricity Price section of your EFL and includes the cost and charges for electricity supply, any electric energy losses,

congestion charges, scheduling services, ERCOT-imposed administrative fees, any imbalance charges, ancillary services, and market default and uplift securitization charges related to Winter Storm Uri. Your Contract Term is also as set forth on your EFL. Champion will bill you for your TDU Delivery Charges, which will be passed through to you at cost and are subject to change during or after the Contract Term. Champion will also bill you for your Base Charge (if applicable), sales taxes, Miscellaneous Gross Receipts Tax Reimbursement, Public Utility Commission (PUC) Assessment, and any other applicable late fees or non-recurring fees charged by the TDU or Champion. You are responsible for and your bill will include all applicable federal, state and local taxes and charges.

If you are exempt from gross receipts tax due to living in an unincorporated area, it is your responsibility to provide us with this information, so that Champion can update your account accordingly.

Your price may vary solely to reflect actual changes in TDU Delivery Charges, changes to the ERCOT administrative fees, or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs on Champion that are beyond Champion's control.

Calculation of the bill – Your electricity service charges will be calculated as follows: Energy Charge x total kWh consumed + Base Charge (if applicable) + TDU non-recurring or special charges + any applicable late fees or Champion non-recurring discretionary charges (as listed below) + TDU Delivery Charges + all applicable sales taxes, including Miscellaneous Gross Receipts Tax Reimbursement and PUC Assessment.

TDU Delivery Charges are the charges as set and applied by your TDU for the delivery of your electricity. The PUC Assessment is a charge assessed by the PUC that is meant to cover the cost of the PUC Regulatory Act. PUC Assessment will be a separate line item on your bill, but is included in your "Average Price per kWh" as listed on your EFL. The Base Charge, if applicable, is as described on your EFL and is a fee charged on your bill when there are twenty-eighty (28) or more days in a billng cycle. TDU Charges are the charges assessed by your TDU for delivering electricity to your meter. Miscellaneous Gross Receipts Tax Reimbursement is a tax assessed to a TDU or Retail Electric Provider (REP) if the TDU or REP is doing business within an incorporated city or town having a population greater than 1,000 according to the last federal census. The Miscellaneous Gross Receipts Tax Reimbursement may or may not be billed to you depending on where you live. For more information on non-recurring charges that may be charged to you, please see the Section "Itemization of Non-Recurring Charges for TDU Service" below.

Presentation of the charges – The Energy Charge, Base Charge, TDU non-recurring or special charges, sales taxes, Champion non-recurring discretionary charges, TDU Delivery Charges, Miscellaneous Gross Receipts Tax Reimbursement, PUC Assessment, and any other charges will appear as separate items on your bill.

Champion does not charge for service initiation, regardless of method. However, the TDU providing electricity delivery to your service location charges fees for service connection for switch of service from one REP to another and for move-ins of new service. Additional fees apply from the TDU for priority move-ins, date-specific switches or move-ins, and off-cycle switches, which enable your service to start earlier or on a specific date. Current rate schedules for each TDU service area are provided under the Itemization of Non-Recurring Charges for Service section in this document.

CONTRACT TERM & RENEWAL

The price for electricity for the Contract Term of this Contract is as set forth in the EFL. Your service under this Contract will begin on your meter reading date set by your TDU. If you fail to take action before the expiration of your Contract Term, your service will continue automatically on a month-to-month variable product at a variable price described in the associated EFL which will be provided in your Contract renewal notice, unless you execute a new authorization of price and term with us, or until your service is terminated by you or Champion. Champion will provide written notice of contract expiration at least 30 days prior to the date of the Contract expiration and no more than sixty (60) days in advance of contract expiration.

BILLING

You will be billed monthly for your electricity service with Champion. Champion will not charge a fee to issue a standard bill that complies with the bill content requirements of PUCT Substantive Rules §25.479 via U.S. Mail. However, Champion may charge a fee or offer a discount if you and Champion agree to electronic invoicing or another non-standard bill and delivery arrangement.

Bills will be issued within thirty (30) calendar days of obtaining meter usage, regardless if the bill is based on actual or estimated usage, and other billing information from the TDU, unless validation of the supplied usage and billing information results in a delay. Champion may bill you based on estimated usage-related information in the absence of actual meter readings from the TDU. Champion will provide you a true-up of your estimated electricity usage as compared to your actual electricity usage the following month or upon receipt of actual usage from the TDU. Champion reserves the right to include in any subsequent bill adjustments meter read errors, miscalculation of taxes or other errors or omissions. If the TDU determines that your meter has not been delivering accurate meter reads due to meter error or tampering you will be billed for and required to pay any recalculated charges due to replacement meter readings from the TDU. You will have the right to pay any restated or recalculated charges in a deferred payment plan with installments equal to the number of billing months restated or recalculated. All customers' service location(s) equipped with demand meter(s) and assessed charges by the TDU based on demand meter readings are not eligible for this product offering. See the terms of the Eligibility section above for additional information.

You are entitled to request one time per year copies of your billing records at no charge.

AVERAGE BILLING

For customers enrolled in Average Billing on a twelve (12) month contract, your monthly bill will be based on your average monthly electricity charges for the most recent twelve (12) months divided by twelve (12). Then, Champion will add or subtract 1/12 of the difference between your actual monthly charges and your average billing charges that you may have accumulated. If you do not have previous bills in your name at the service location, Champion will take the previous usage that is available for the service location and apply your current price to calculate your average monthly charge. A final true-up will be made if your account is terminated or if your Contract expires. Any remaining account balance will be due in full upon such termination or expiration. For more details, visit www.championenergyservices.com/my-account/average-billing.

PAYMENT AND PAYMENT ARRANGEMENTS

All bills are due and payable within sixteen (16) days of the mail date of the bill. You may be charged a fee by a third party provider to make payments using their systems, including phone, internet and cash payment centers. Champion accepts payment by check and bank draft at no charge. If you enroll in our Automatic Bill Pay program, please continue to remit payment until your bill indicates your account has been approved and is active in such a program.

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. If you are determined eligible for a deferred payment plan, you will pay 50% of the amount due and defer the remainder of the amount due in equal installments over the next five (5) months. To qualify for a deferred payment plan, a Customer must not have defaulted under a previous deferred payment plan with Champion or have received more than 2 disconnection notices in the last 12 months. You will need 3 months of payment history with Champion prior to qualifying for a deferred payment plan. Deferred payment plans are available for customers whose bills become due during an extreme weather emergency as declared by your TDU or who were previously under-billed by $50.00 or more and need to make installment payments. If you establish a deferred payment plan we may put a hold on your account that will prevent you from switching to another electricity supplier until the deferred balance is paid in full (Switch-hold). The Switch-hold on your account will be removed after your deferred balance is processed and paid in full. If you are disconnected for nonpayment while a Switch-hold is in place a payment will be required to resume service and you may not obtain services from another REP until you pay the total deferred balance to Champion.

All deferred payment plans are formalized in writing and provided to the Customer. For questions regarding an outstanding balance, please contact Champion's Customer Care Department at 1-877.653.5090.

FAILURE TO MAKE PAYMENT/DELINQUENCY POLICY

We encourage you to contact us to secure an alternative payment arrangement before your account becomes delinquent and is suspended or is disconnected for nonpayment. Please contact us to discuss your eligibility for alternative payment arrangements.

Non-payment of your bill may result in the termination of this Contract or disconnection of your electric service. All bills will be deemed past due and delinquent at the close of business on the day the bill is due or the postmark date on the envelope, whichever is later. Champion will provide you with a disconnection notice in the event you don't pay your bill by its due date or make suitable arrangements with us for its payment. If payment of your past due balance isn't received within ten (10) days of the Disconnection Notice and a disconnection transaction has been processed by your TDU, your account will be charged a disconnection fee from your TDU. If your service is disconnected and payment is not made to restore service within five (5) days of the disconnection date, your account will be subject to any early termination fees as stated on your EFL. Additional automatic payment options offered by Champion include payments made directly from the checking or savings account of your choice or from a credit card. To learn more about these options or to initiate either of these services, please go to Champion's website at www.championenergyservices.com/ and choose the "My Account" tab at the top and then the "Payment Options" tab on the left of your screen.

If your account is secured with a deposit, the deposit amount will be credited to your final bill. You must remit final payment by the due date on the final bill to avoid having your account reported to a collection agency. Late, delinquent or past due balances will result in a late payment penalty equal to 5% of the month's current past due amount, less any charges for which you have already been assessed a late fee. A $30 insufficient funds fee per transaction (or a charge equal to the maximum amount allowed by law) will be assessed to your account for any transaction not processed due to non-sufficient funds (NSF), payment stops or charge backs, or credit availability for any method of payment including checks, bank drafts or credit card transactions. Champion reserves the right in such instances to require future payments from you to be made by cash. If you participate in our auto-bill-pay program and your payment is dishonored for any reason, Champion reserves the right to remove you from the auto-bill-payment program and you will no longer be eligible for any unpaid benefits, if applicable. If a payment to restore service after non-payment is returned for insufficient funds, Champion has the right to suspend your service without notice.

If you fail to make timely payments of the amounts due under this Contract and we i) refer your outstanding balance to an attorney or agent for collection, or ii) file a lawsuit, or iii) collect your outstanding balance through probate, bankruptcy, or other judicial proceedings, then you agree to pay reasonable fees and expenses (including late payment penalty, interest, administrative costs and attorney fees) that we incur during the collection process.

CRITICAL CARE AND CHRONIC CONDITION ELIGIBILITY

If you or a person permanently residing in your home has been diagnosed by a physician as being dependent upon an electric powered medical device to sustain life, you qualify to be designated as a Critical Care Residential Customer. In addition, if you or a person permanently residing in your home 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 person's medical condition, you qualify to be designated as a Chronic Condition Customer.

Please advise Champion's Customer Care Department when such service needs arise, as it is your responsibility to advise us of this need. Champion will not disconnect for non-payment if you inform us, prior to the disconnection date stated on the notice, that you have a critical need for electric service, as determined through qualifying as either a "critical care residential customer" or a "chronic condition customer." To qualify as a critical care or chronic condition residential customer, you must complete an Application for Chronic Condition or Critical Care Residential Customer Status. In each case, your information will be forwarded to the TDU and on your application your physician will determine your classification as critical care or chronic condition. Qualification by your physician grants such status for chronic condition for ninety days and for critical care twenty-four (24) months, and does not relieve you from any obligation to pay us or the TDU for your electric service.

Champion will not disconnect for non-payment if you inform us, prior to the disconnection date stated on the notice, that disconnection of service at the premise will cause some person residing at the premise to become seriously ill or more seriously ill. However, to obtain this exemption, you must submit a letter signed by the person's attending physician attesting to the necessity of electric service to support life and/or that disconnection will cause someone to become seriously ill or more seriously ill. This exemption from disconnection will only be in effect for sixty-three (63) days. You must apply again after the sixty-three (63) days has expired and a deferred payment plan has been fulfilled in order to avoid disconnection of service. Please be advised that in order to avoid disconnection of service this process must be taken every time you receive a disconnection notice in the mail and you are not in a financial position to pay your bill prior to the disconnection date. Critical Care or Chronic Condition qualification does not guarantee an uninterrupted power supply. If electricity is a necessity, you may need to make other arrangements. Please call us at 1.877.653.5090 to request a Critical Care or Chronic Condition eligibility form. You may also obtain the Application for Chronic Condition or Critical Care Residential Customer Status from our website at http://www.puc.state.tx.us/industry/electric/forms/critical/ccform.pdf

FINANCIAL AND ENERGY ASSISTANCE FOR LOW INCOME CUSTOMERS

Residential customers who are in need of financial or energy assistance may qualify for programs sponsored by the Texas Department of Housing and Community Affairs (TDHCA), which can be contacted at info@tdhca.state.tx.us, calling 1.877.399.8939, faxing 1.800.733.5120 or writing to TDHCA, PO Box 13941, Austin, TX 78711-3941. A customer who receives food stamps, Medicaid, TANF or SSI from the TDHS or whose household income is not more than 125% of the federal poverty guidelines may qualify for energy assistance from the Texas Department of Housing and Community Affairs (TDHCA). Customers who do not currently receive these benefits, but whose household income is not more than 125% of the federal poverty guidelines may also apply.

The Champion Power Partners Program is 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 Champion Energy customers. You may contribute to this program on your bill each month.

CHANGE IN TERMS AND CONDITIONS

Champion will provide you with written notice fourteen (14) days in advance of any material change in this Terms of Service. Champion will not change the price or term of a fixed price product at any time during the Contract Term, except as outlined in your EFL. If the price of a fixed term product is changed in accordance with the provisions as stated on your EFL, each bill issued for the remainder of the Contract Term will show the changes on one or more separate line items or will include a conspicuous notice stating that the amount billed includes price changes allowed by rules of the PUCT. Champion is not required to notify you of material changes that benefit you or for changes that are mandated by regulatory agencies.

CANCELLATION OR TERMINATION OF YOUR ELECTRIC SERVICE

If you take actions that cancel or terminate your electric service with Champion under the TOS prior to the end of the Contract Term, you may be responsible to pay an Early Termination Fee (ETF), as specified in your EFL. In the event that you are switching providers, your termination fees will be waived if your switch occurs within fourteen (14) days of your contract expiration date.

If you move from your existing service address to a new premise during the Contract Term and provide a forwarding address to us, you will not be responsible for the cancellation fee stated in the EFL. Please provide us with a signed cancellation form (located on our website) to cancel or terminate the TOS, no less than five (5) business days and no more than sixty (60) days in advance of the requested termination date. Champion will use good faith efforts to cancel or terminate your service with the TDU on the requested termination date; however, we cannot be responsible if the TDU is unable to affect your requested termination date. You will be responsible for all charges incurred through the date the TDU can affect your termination. If you cancel or terminate the Terms of Service, Champion's obligations will conclude after the meter read date when we are no longer designated as your REP or when your electric service is disconnected by the TDU. If your termination requires an off-cycle meter read or otherwise incurs charges from the TDU, you will be responsible for payment of those charges. Your obligations under the TOS will end when the outstanding balance on your account is paid in full. Cancellation or termination of the TOS does not excuse the obligation of Customer to pay outstanding balances or an ETF that may apply.

DISCONNECTION WITHOUT NOTICE

Champion or your TDU may disconnect your service without notice if known dangerous conditions exists at the premise; where service is connected without authority by a person who has not made application for service; where service is reconnected without authority after disconnection for nonpayment; where there has been tampering with the meter or other service provider equipment; or where there is evidence of theft of service.

ESTABLISHMENT OF SATISFACTORY CREDIT

You may qualify to receive service from Champion by demonstrating satisfactory credit through one of the following methods: a) Provide a letter from your current or most recent REP which verifies that you have not been delinquent paying an electric bill more than once during the past twelve (12) months or had service terminated or disconnected for non-payment within the last twelve (12) months, or b) Demonstrate satisfactory credit in accordance with Champion's credit policy.

Champion reserves the right to utilize credit reporting agencies to document your credit/payment history. Customers/applicants unable to demonstrate satisfactory credit may be required to pay a deposit. Champion may deny electric service to customers/applicants who refuse or are unable to comply with the credit and deposit requirements. A customer/applicant who previously has been a customer of Champion, and whose service was terminated or disconnected for non-payment of their electric bill or theft of service (including fraud, misrepresentation, or meter tampering) or who left a bona fide debt to Champion, will be required, before service is reinstated, to pay all amounts due to Champion, or execute a deferred payment agreement, if eligible, along with any required deposit and fees, as appropriate, and reestablish credit. If you are a victim of family violence please fax your certification letter to 888-653-0095.

DEPOSITS

Customers unable to demonstrate satisfactory credit may be required to post a deposit or other acceptable collateral to receive service. Estimated billings for an initial deposit from an applicant may be based upon a reasonable estimate of average usage for the customer class or may be based on the customer's estimation of anticipated usage or the premise's actual historical usage; the amount of deposit will 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. Customers who qualify for a rate reduction program may pay the deposit in two equal installments if required to pay over $50.00. Applicants sixty-five (65) years of age and older who are not currently delinquent in paying their electric service account, applicants who have been declared a victim of domestic family violence, and applicants who have provided a letter of credit will qualify to have the deposit waived; please call us for additional information.

Champion will not require an initial deposit from an existing customer unless that customer, during the previous twelve (12) months of service, has been late paying a bill more than once or has had service terminated or disconnected for nonpayment. Additional deposits may be required from an existing customer if the average of your actual billings for the last twelve (12) months is at least twice the amount of the original average of the estimated annual billings; and a termination or disconnection notice has been issued or the account's electric service has been terminated or disconnected within the previous twelve (12) months. An initial or additional deposit from an existing customer will be based upon actual historical usage; to the extent it is available. If an initial or additional deposit is required for an existing customer, Champion may require the customer to pay the deposit within ten days after issuance of a written notice that requests such deposit, and a disconnection notice may be combined with or issued concurrently with the request for deposit. Service may be terminated or disconnected, whichever is applicable, if the additional deposit is not paid within this ten (10) day period if a written termination or disconnection notice has been issued to the customer. An initial or additional deposit may be required to add an additional service location under an existing account, or if you are transferring service from one location to another without terminating service at one location within thirty (30) days.

Champion offers Fast Track, a deposit alternative program. Customers required to pay a deposit, may select to pay a one-time, non-refundable charge of $168 instead of a deposit as outlined above. The Fast Track charge may be paid following enrollment or within ten (10) days of enrollment only by credit card.

INTEREST ON AND REFUND OF DEPOSITS

- You will accrue interest on your deposit, if held more than thirty (30) days, at an annual rate established by the PUCT.
- Your deposit will be refunded or credited to your account when you have paid your bill for electric service for twelve (12) consecutive months without having more than two (2) late payments.
- When your account with Champion is closed, your deposit and accrued interest, less any outstanding balance owed for electric service, will be refunded to you. Payment of accrued interest will be made once a year as a credit to your account.

FORCE MAJEURE

Champion will make commercially reasonable efforts to supply electricity but does not guarantee a continuous supply of electricity. Customer acknowledges that certain causes and events outside of Champion's control (often referred to as "Force Majeure Events") may result in interruptions in service. Champion does not generate electricity nor does it transmit or distribute electricity. Therefore, Customer agrees that Champion will not be liable for damages caused by Force Majeure events, including but not limited to accidents, strikes or lock outs, labor troubles, or acts of God that are beyond the control of Champion and that: (a) are not the result of the negligence of Champion; and (b) which, by the exercise of due diligence, Champion is unable to avoid or cause to be avoided. Force Majeure shall also include, a condition resulting in the curtailment or disruption of electricity supply or the transmission on the electric transmission and/or distribution system, including a Force Majeure event experienced by any utility, TDU, ERCOT or governmental agency.

ITEMIZATION OF NON-RECURRING CHARGES FOR TDU SERVICE

Customers are obligated to pay certain non-recurring TDU charges as required or allowed by the PUCT. Additional non-recurring TDU charges may apply during the Term and may include, but are not limited to, charges for establishing, switching, disconnecting, reconnecting or maintaining electric service. For a list of non-recurring TDU charges and rates, please review your TDU's service tariff or visit www.puc.texas.gov/industry/electric/rates/TDR.aspx.

Champion non-recurring charges may include the following:

Itemization of Non-Recurring Charges for Service (Champion)

Charge Name	Price
Non-Sufficient Funds Fee	$30.00 (or the maximum allowed by law)
Application Fee	FREE
Late Payment Fee	5% of the month's past due amount
Fast Track Service Charge	$168.00

CHANGE IN LAW OR REGULATION

In the event there is a change (including a change in interpretation) in law, regulation, rule, ordinance, order, directive, filed tariff, decision, writ, judgment or decree by a governmental authority including, without limitation, changes in TDU tariffs and ERCOT protocols, including those changes affecting fees, costs, or charges imposed by ERCOT or the PUCT, changes in market rules, changes in load profiles or changes in nodal and zonal definitions and such change results in Champion incurring additional costs and expenses in providing your electricity service under this Contract, such additional costs and expenses will be your responsibility and will be assessed in your monthly bill as a pass-through charge(s).

BANKRUPTCY

This Contract and the transactions described herein constitute a forward contract as defined in section 101(25) of title 11 of the United States Code (the "Bankruptcy Code"). The Parties agree that Champion is a "forward contract merchant" as defined in section 101(26) of the Bankruptcy Code, that the termination rights of the Parties will constitute contractual rights to liquidate transactions that will not be abridged by any filing of any petition as set forth in section 556 of the Bankruptcy Code, that any payment related hereto or made hereunder will constitute a "settlement payment" as defined in 101(51A)of the Bankruptcy Code, and that the exceptions to the applicability of the Bankruptcy Code as set forth in sections 362(b)(6), 546(e), 548(d),

553(a)(2)(B)(ii), 553(a)(3)(C) and 553(b)(1) will apply. The full context of the law can be found at http://uscode.house.gov/download/title_11.shtml.

LIMITATION OF LIABILITY

CUSTOMER ACKNOWLEDGES THAT CHAMPION DOES NOT OWN OR CONTROL ANY OF THE TRANSMISSION OR DISTRIBUTION FACILITIES USED TO DELIVER THE ELECTRICITY, WHICH IS SOLELY THE RESPONSIBILITY OF ERCOT AND/OR THE TDU. CHAMPION, THEREFORE, SHALL NOT BE LIABLE ON ACCOUNT OF THE ACTS OR OMISSIONS OF SUCH ENTITIES FOR ANY INTERRUPTION, FAILURE OR DELAY IN THE DELIVERY OF ELECTRICITY ARISING THERE FROM. CUSTOMER SHOULD CONTACT ITS TDU IN THE EVENT OF AN EMERGENCY OR OUTAGE. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE WILL BE LIMITED TO DIRECT ACTUAL DAMAGES. NEITHER CHAMPION NOR CUSTOMER WILL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS CONTRACT. THESE PROVISIONS SURVIVE THE TERMINATION OR EXPIRATION OF THIS CONTRACT.

REPRESENTATIONS AND WARRANTIES

THE ELECTRICITY SOLD UNDER THIS CONTRACT WILL MEET THE QUALITY STANDARDS OF THE APPLICABLE LOCAL DISTRIBUTION UTILITY AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. CHAMPION MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS CONTRACT AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER REPRESENTS AND WARRANTS THAT HE OR SHE IS A RESIDENTIAL CUSTOMER AS SUCH TERMS ARE DEFINED IN CHAPTER 25 OF THE SUBSTANTIVE RULES OF THE PUCT. THE FULL CONTEXT OF THIS RULE CAN BE FOUND AT HTTP://WWW.PUC.STATE.TX.US/RULES/SUBRULES/ELECTRIC/INDEX.CFM.

ASSIGNMENT

You may not assign this Contract in whole or part, or any of your rights or obligations hereunder, without prior written consent from Champion. Nothing in this Contract will create, or be construed as creating any express or implied rights in any person or entity other than Champion and Customer. Customer hereby acknowledges and consents that Champion may (a) assign this Contract to any affiliate or to any party succeeding to a substantial portion of the assets of Champion, or (b) assign, pledge or otherwise collaterally assign its rights under this Contract to Champion's supplier of certain physical and/or financial commodities. Any successor or assignee of the rights of Champion (or Customer, if such is consented to in writing by Champion) shall be subject to all the provisions and conditions of this Contract to the same extent as though such successor or assignee were the original Party under this Contract. In the event any other provision of this Contract will be deemed to prohibit or otherwise restrict Champion's right to assign, subrogate or pledge its rights hereunder, this provision will control.

PUCT RULES

The complete text of the PUCT Customer Protection Rules referenced herein can be found at http://www.puc.state.tx.us/rules/subrules/electric/index.cfm.

ENTIRE AGREEMENT

The Terms of Service (TOS), your Plan Summary, Your Rights as a Customer (YRAC), and the Electricity Facts Label (EFL) (collectively, the "Contract") constitute the entire agreement between you and Champion and supersedes all prior communications, understandings and agreements relating to the supply of residential retail electricity service. This Contract is subject to all applicable state and federal laws and regulations. Venue for any lawsuit brought to enforce any term or condition of this Contract or to construe the terms hereof shall be exclusively in the State of Texas. This Contract shall be governed and enforced in accordance with the laws of the State of Texas. Nothing in this Contract will create or be construed as creating any express or implied rights in any person or entity other than you, as Customer and Champion as REP.