



# RESIDENTIAL TERMS & CONDITIONS

("Agreement")

TERM	GENERATION SERVICE CHARGES	CANCELLATION FEE	CONTRACT RENEWAL	OTHER
18 monthly billing cycles ("Term").	8.99 cents per kWh for Green-e® Energy Certified 100% Wind-generated electricity Generation and Transmission Services and Gross Receipts Tax (GRT). Price excludes other taxes, utility Distribution Service charges and other non-bypassable utility charges and fees.	You may cancel at any time during the Term without penalty. See Section 6 for details.	Your Agreement may be automatically renewed with advance written notices. See Section 8 for details.	

**CONDITIONS.** These Terms and Conditions (this "Agreement") are your agreement for Generation Service and applicable transmission services with AEP Energy, Inc. ("AEP Energy"). Please keep a copy of this Agreement for your records. AEP Energy is certified/licensed by the Pennsylvania Public Utility Commission ("Commission") to offer and supply Generation Service in Pennsylvania. As an Electric Generation Supplier ("EGS"), AEP Energy will supply the electric generation and provide applicable transmission services to your Electric Distribution Company ("EDC") based on your usage. Your EDC then distributes or delivers the electricity to you. Your Distribution Service will remain with your current EDC, which is regulated by the Commission.

**DEFINITIONS:** "Electric Generation Supplier" means an entity licensed by the Commission to sell electric energy to retail customers. "Generation Service" means the production of electricity. "Generation-Related Charges" means those charges or costs associated with the production, procurement and supply of electricity. "Non-bypassable utility charges and fees" means those EDC charges and fees payable by you regardless of whether the EDC or a EGS provides Generation Service. "Transmission Service" means moving high voltage electricity from a generation facility to the distribution lines of an EDC. "Distribution Service" means the physical delivery of electricity to customers by the EDC.

**RIGHT OF RESCISSION.** You have the right to rescind your enrollment without penalty within three (3) business days following your receipt of the disclosure statement attached to this Agreement (the "Rescission Period"). The Right of Rescission only applies when you initially switch to AEP Energy and not upon renewal.

**CONFIRMATION PERIOD.** Upon receipt of a contract between Customer and AEP Energy, EDC will send you a confirmation letter noting the proposed change. This letter will include notice of a 10-day waiting period in which order may be canceled if order is in error or if you did not authorize the change.

## TERMS AND CONDITIONS OF SERVICE

1. Eligibility. Residential customer accounts that are on residential rates codes are eligible for this offer from AEP Energy. AEP Energy reserves the right to refuse enrollment to any residential customer with an outstanding, unpaid electric bill.
2. Basic Service Prices. During the term of this Agreement, you agree to pay AEP Energy a price for all applicable combined Transmission Service, Generation Service and Generation-Related Charges as specified in "Generation Service Charges" listed above including any applicable taxes, if any. For the "Term" listed above, all kilowatt-hours ("kWh") of electric energy metered by the EDC shall be billed at the rate per kWh specified above. In addition to AEP Energy's charges, you will be charged by your EDC for Distribution Service and other EDC charges and fees. Also, AEP Energy will charge you for any and all fees, costs, and obligations for transmission services imposed by a Regional Transmission Organization ("RTO"), such as PJM Interconnection, LLC, or an Independent System Operator (ISO), such as the Midwest Independent Transmission System Operator (MISO) or any successor organizations (collectively, referred to as the RTO), that are not otherwise reimbursed to AEP Energy, regardless of whether such charges are greater than, less than, or equal to the charges the Customer currently pays for these services ("RTO/Transmission and Ancillary Services Charges"). AEP Energy will pass through to you any RTO/Transmission and Ancillary Services Charges, which may be variable, related to AEP Energy's providing electricity to you and any additional or increased fees or charges that are beyond AEP Energy's reasonable control. That could include, but not be limited to, fees for switching, disconnecting, reconnecting or maintaining electric service or equipment, changes to capacity related charges, transmission or transmission-related charges, or changes to retail electric customer access programs, that are imposed by law, rule, regulation or tariff, or Commission rule or order. These charges or fees will be passed through to you and added to your price. In the event that there is a change in law, regulation, rule, order, filed tariff, decision, judgment, or decree by a governmental authority, and such change results in AEP Energy incurring additional costs and expenses in providing the services contemplated herein, these additional costs and expenses may be assessed to you as additional pass-through charges, to the extent permitted by applicable rules.
3. Length of Agreement. Your service from AEP Energy will begin with the next available meter-reading following: a) the Rescission Period; b) the acceptance of the enrollment request by AEP Energy (at its discretion and consistent with Paragraph 7 below), and c) processing of the enrollment by your EDC, and will continue for the Term, unless otherwise terminated or renewed, ending on the meter read date for the last month of service.
4. Billing. You will continue to receive a single bill from your EDC that will contain both your EDC and AEP Energy charges, including applicable taxes. AEP Energy offers budget billing for AEP Energy's charges. If you do not pay your bill by close of business on the due date, AEP Energy may cancel this Agreement in accordance with the notice provisions set forth below in Paragraph 6. Upon cancellation you will be returned to your EDC as a customer. You will remain responsible to pay AEP Energy for any electricity used before this Agreement is cancelled as well as any late payment charges, penalties or fees. Further, your failure to pay EDC charges may result in your electric service being disconnected in accordance with the EDC tariff.
5. Penalties, Fees and Exceptions. If you do not pay the full amount owed to AEP Energy by the close of business on the day the bill is due, as set forth on the invoice, AEP Energy may charge a late payment fee up to one and one-half (1.5%) percent of the outstanding balance per month, or the maximum legally allowed interest rate, whichever is lower until such payment is received by AEP Energy. If you fail to timely pay the amounts due under this Agreement and we refer your outstanding balance to an attorney or collection agent for collection, you agree to pay reasonable fees and expenses (including attorneys' fees) that we incur in the collection process.
6. Cancellation/Termination Provisions/Failure to Pay. If this Agreement is not rescinded during the rescission period, enrollment will be sent to your EDC. Any failure to pay undisputed amounts due us or other failure to perform your obligations under this Agreement shall be deemed a breach of this Agreement permitting AEP Energy to terminate this Agreement. There will be a charge as specified in "Cancellation Fee" above if you terminate this Agreement for any other reason, except as expressly provided herein, or breach this Agreement in accordance with the preceding sentence. Should you cancel service with AEP Energy and return to standard offer service with your EDC, you may not be served under the same rates, terms, and conditions that apply to other EDC customers.
7. Customer Consent and Information Release Authorization. By accepting this offer from AEP Energy, you

understand and agree to the terms and conditions of this Agreement with AEP Energy. You authorize AEP Energy to obtain information from the EDC that includes, but is not limited to: billing history, payment history, historical and expected electricity usage, meter-readings, and characteristics of electricity service. AEP Energy reserves the right to check your credit with a consumer credit reporting agency to determine if your credit standing is satisfactory before accepting your enrollment request. This Agreement shall be considered executed by AEP Energy following: a) acceptance of your enrollment request by AEP Energy; b) the end of the Rescission Period, and c) acceptance of enrollment by your EDC.

8. Contract Renewal. If AEP Energy chooses to renew this Agreement, then AEP Energy will send two (2) advance written notices between 45 and 90 days prior to the end of the term of this Agreement. This Agreement shall be automatically renewed for the renewal term with the revised terms and conditions unless you notify AEP Energy in writing rejecting the renewal term on such terms and conditions no later than ten (10) days after receipt of the second notice.

9. Dispute Procedures. Contact AEP Energy, with any questions concerning the terms of service by phone at 1-866-258-3782 (toll-free) M-F 8AM – 7PM EST or in writing at AEP Energy, PO BOX 3489, Chicago, IL 60654. Our web address is AEPenergy.com. If your complaint is not resolved after you have called AEP Energy and/or your EDC, or for general utility information, residential and business customers may contact the Commission.

10. Miscellaneous. AEP Energy assumes no responsibility or liability for the following items that are the responsibility of the EDC: operation and maintenance of the EDC's electrical system, any interruption of service, termination of service, or deterioration of the EDC's service. In the event of a power outage, you should contact your local EDC. You are responsible for providing AEP Energy with accurate account information. If said information is incorrect, AEP Energy reserves the right to re-price the applicable account(s). AEP Energy reserves the right to re-price any account(s) or return you to the EDC if your rate code or meter type is changed and/or the account is no longer eligible for this program. Any notice, demand or other communication to be given hereunder, including, without limitation, any renewal or termination notice, shall be in writing and delivered to the address or email address maintained on file for you. You authorize, but do not obligate AEP Energy, to exercise your government aggregation opt-out rights. This Agreement supersedes all prior written or oral agreements.

11. Warranty and Force Majeure. AEP Energy warrants title and the right to all electricity sold hereunder. THE WARRANTIES SET FORTH IN THIS PARAGRAPH ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE. AEP Energy will make commercially reasonable efforts to provide your electric service, but does not guarantee a continuous supply of electricity. Certain causes and events are out of the reasonable control of AEP Energy ("Force Majeure Events") and may result in interruptions in service. AEP Energy is not liable for damages caused by acts of God, changes in laws, rules or regulations or other acts of any governmental authority (including the Commission or RTO), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the EDC or any other cause beyond the control of AEP Energy's reasonable control. If a Force Majeure Event occurs which renders AEP Energy unable to perform in whole or in part under this Agreement, our performance under this Agreement shall be excused for the duration of such event.

12. REMEDIES. UNLESS OTHERWISE EXPRESSLY PROVIDED HEREIN, ANY LIABILITY UNDER THIS AGREEMENT WILL BE LIMITED TO DIRECT, ACTUAL DAMAGES AS THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, TREBLE, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISIONS OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT. THE LIMITATIONS IMPOSED ON REMEDIES AND DAMAGE MEASUREMENT WILL BE WITHOUT REGARD TO CAUSE, INCLUDING NEGLIGENCE OF ANY PARTY, WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE: PROVIDED NO SUCH LIMITATION SHALL APPLY TO DAMAGES RESULTING FROM THE WILLFUL MISCONDUCT OF ANY PARTY.

13. Customer Liability and Indemnification of AEP Energy. You assume full responsibility for electricity supply furnished to you at the delivery point(s) and on your side of the delivery point(s), and agrees to and shall indemnify, defend, and hold harmless AEP Energy, its parent company and all of its affiliates or subcontractors, and all of their respective managers, members, officers, directors, shareholders, associates, employees, servants, and agents from and against any and all claims, losses, expenses, damages, demands, judgments, causes of action, and suits of any kind (hereinafter collectively referred to "Claims"), including Claims for service interruptions, loss or termination of service, deterioration of electric services, personal injury, death, or damages to property occurring at the delivery point(s) or on your side of the delivery point and upon the premise(s), arising out of or related to the electricity and/or your performance under the Agreement. AEP Energy shall cease to have title to and risk of loss related to the electricity when it is delivered to you at the delivery point(s) and on your side of the delivery point(s). Neither AEP Energy nor any of its affiliates or subcontractors will be responsible for any failure to commence or terminate electric generation service on the date specified herein due to any failure or delay in enrolling you with the EDC.

14. Assignment. You shall not transfer or assign this Agreement or your rights hereunder without the prior written consent of AEP Energy. AEP Energy may, without your consent, assign this Agreement to another EGS, including any successor, in accordance with the rules and regulations of the Commission.

15. Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to any conflicts of law principles which otherwise might be applicable.

16. Contact Information. AEP Energy, PO Box 3489, Chicago, IL 60654. For more information, call 1-866-258-3782 or visit AEPenergy.com.

17. The electricity supply service provided to you will include renewable energy sourced from renewable resources in the amount equal to 100% of your load volume during the term of this Agreement. AEP Energy's product is a 100% nationally wind-generated electricity product and is certified by Green-e® Energy, which requires companies to provide their customers with this notice of price, terms and conditions of service. For more information about Green-e Energy, write Green-e Energy, 1012 Torney Ave, 2nd Floor San Francisco, CA 94129 or log onto www.green-e.org, or call toll-free 1-888-63-GREEN.



# RESIDENTIAL DISCLOSURE STATEMENT FOR ELECTRIC GENERATION SUPPLIERS

## Background

- AEP Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply electric generation services in Pennsylvania. Our PUC license number is A-2009-2132755.
- AEP Energy sets the generation prices and charges that you pay. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.
- You will receive a single bill from your Electric Distribution Company (EDC) that will contain the EDC's charges and AEP Energy's charges.
- Right of Rescission – You may cancel this agreement in writing or orally at any time before midnight of the third business day after receiving this disclosure.

## Definitions

- Generation Charge – Charge for production of electricity.
- Transmission Charge – Charge for moving high voltage electricity from a generation facility to the electric distribution company.
- Nonbasic Charges - N/A

## Terms of Service

1. Basic Service Prices – You will pay \$0.0899 per kWh. Electricity charges include Generation and Transmission charges, Gross Receipts Tax (GRT) and Renewable Energy Credits (RECs), if purchasing a renewable energy plan.
2. Length of Agreement – You will buy your electricity generation service for the above street address from AEP Energy beginning on a date set by your Electric Distribution Company (EDC) and continuing for a period of 18 month(s).
3. Special Terms and Conditions – N/A
4. Special Services – N/A
5. Penalties, Fees and Exceptions – N/A
6. Cancellation Provisions – The Agreement may be canceled for the following reasons: (i) non-payment: if your electric service is terminated by your EDC, then the agreement is cancelled on the date that your service is terminated; (ii) company-initiated cancellation: if we cancel this agreement for any reason other than customer non-payment, we will follow applicable rules in providing notice to you; and (iii) customer-initiated cancellation: if you cancel your agreement before the end of the initial term, you may be subjected to the costs described in Section 5.
7. Renewal/Expiration/Change in Terms – If Customer has a fixed term agreement with AEP Energy and it is approaching the expiration date, renewal period or if AEP Energy proposes to change terms of service, AEP Energy will send you two (2) advance notices between 45 and 90 days before either the expiration date of the effective date of the changes. AEP Energy will explain your options in these two (2) advance notices, including renewal options with AEP Energy.
8. Dispute Procedures – Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with AEP Energy.
9. AEP Energy offers budget billing – Budget billing allows a customer to spread out their annual electricity bills evenly throughout the year.
10. Contact Information

Generation Supplier Name:	AEP Energy, Inc.
Address:	225 West Wacker Drive, Suite 700, Chicago, IL 60606
Phone Number:	866-258-3782
Internet Address:	AEPenergy.com
Electric Distribution Company Name:	PECO Energy Company
Provider of Last Resort Name:	PECO Energy Company
Address:	Electric and Gas Choice Department 2301 Market Street, S14-2 Philadelphia, PA 19101
Phone Number:	1-215-841-3700
Public Utility Commission (PUC) Address:	P.O. Box 3265, Harrisburg, PA 17105-3265
Utility Choice Hotline Number:	1-800-692-7380
Universal Service Program Name:	PECO Energy Company
Phone Number:	1-215-841-3700

## 2014 PROSPECTIVE PRODUCT CONTENT LABEL<sup>1</sup>

This is a renewable energy certificate (REC) product. For every unit of renewable electricity generated, an equivalent amount of RECs is produced. The purchase of RECs supports renewable electricity generation, which helps reduce conventional electricity generation in the region where the renewable generator is located. You will continue to receive one electricity bill from your utility.

AEP Energy delivers a 100% Green-e<sup>®</sup> Energy Certified wind energy product. This product matches 100% of your estimated electricity usage with national Green-e Energy certified RECs. This product is made up of the following renewable resources:

Green-e Energy Certified New <sup>2</sup> Renewables		Generation Location
-Biomass	0%	
-Geothermal	0%	
-Eligible hydroelectric <sup>3</sup>	0%	
-Solar	0%	
-Wind	100%	National supply could be sourced from any of the following states including but not limited to: Texas, Iowa, Illinois and Pennsylvania
TOTAL	100%	

1. Actual figures may vary according to resource availability. We will annually report to you the actual resource mix of the RECs you purchased during the preceding year.

2. New Renewables come from generation facilities that first began commercial operation on or after January 1, 2000.

3. Eligible hydroelectric facilities are defined in the Green-e Energy National Standard ([http://www.green-e.org/getcert\\_re\\_stan.shtml](http://www.green-e.org/getcert_re_stan.shtml)) and include facilities certified by the Low Impact Hydropower Institute (LIHI) ([www.lowimpacthydro.org](http://www.lowimpacthydro.org)); facilities that are run-of-the-river hydropower facilities with a total rated nameplate capacity equal to or less than 5 MW; and facilities comprised of a turbine in a pipeline or a turbine in an irrigation canal.

For comparison, the average (2002-2006) mix of energy sources supplying the US includes: Coal (49%), Nuclear (20%), Oil (3%), Natural Gas (18%), Large Hydroelectric (7%), Other Fossil (1%), and Renewables (2%). (from U.S. Department of Energy/Energy Information Administration)

The average home in the United States uses 900 kWh per month. [Source: U.S. EPA]

For specific information about this REC product, please contact AEP Energy, (866) 258-3782, [www.AEPenergy.com](http://www.AEPenergy.com).



Green-e Energy certifies that AEP Energy meets the minimum environmental and consumer protection standards established by the non-profit Center for Resource Solutions. For more information on Green-e Energy certification requirements, call 1-888-63-GREEN or log on to [www.green-e.org](http://www.green-e.org).