



RESIDENTIAL TERMS & CONDITIONS
("Agreement")

Customer Name _____ Phone _____

Email Address _____

Sales Representative _____ ID _____ Date _____

Electric Account Number (AEP Ohio 17 digit SDI, DPL 10 digit account, Duke 11 digit account, FE 20 digit customer)

Electric Account Number (AEP Ohio 17 digit SDI, DPL 10 digit account, Duke 11 digit account, FE 20 digit customer)

By signing below, I authorize AEP Energy to be my competitive retail electric service (CRES) provider, obtain information about my account and process my enrollment with my local electric utility under the Terms & Conditions provided below, which I have read and agree to. Notwithstanding the foregoing, I acknowledge and agree that this agreement is null and void, and, as such, my enrollment will not be processed, in the event that AEP Energy does not receive a fully-executed copy of these Residential Terms and Conditions and a completed and valid third party verification (TPV) phone recording.

Print Name: _____ Signature: _____ Date: _____

(Account Holder and/or Authorized Person)

Offer Code: AEP16.07.05_5.65_12 ETF



RESIDENTIAL TERMS & CONDITIONS

("Agreement")

TERM	GENERATION SERVICE CHARGES	CANCELLATION FEE	CONTRACT RENEWAL	OTHER
12 monthly billing cycles ("Term").	5.65 cents per kWh for Generation Service. Price excludes taxes, utility Distribution Service charges, Transmission Service, and other non-bypassable utility charges and fees.	You may cancel within the 7-calendar day rescission period without penalty. <u>If you terminate after the rescission period, you will incur a fee equal to the number of months remaining in the Term multiplied by \$10.</u> See Section 6 for details.	Unless AEP Energy automatically renews your Agreement with advance written notice, your Agreement will continue on a month-to-month basis, and you will pay a Variable price per kWh. You will not be subject to a cancellation fee while taking service on a month-to-month basis. See Section 8 for details.	N/A

CONDITIONS. These Terms and Conditions (this "Agreement") are your agreement for Generation Service with AEP Energy, Inc. ("AEP Energy"). Please keep a copy of this Agreement for your records. AEP Energy is certified by the Public Utilities Commission of Ohio ("PUCO") to offer and supply Generation Service in Ohio. As a Competitive Retail Electric Service ("CRES") provider, AEP Energy will supply the electric generation services to your Electric Distribution Utility ("EDU") based on your usage. Your EDU then distributes or delivers the electricity to you. Your Distribution Service will remain with your current EDU, which is regulated by the PUCO. Your EDU also will continue to read your meter, provide your monthly bill and respond to emergencies.

DEFINITIONS. "Competitive Retail Electric Service Provider" or "CRES" provider means, as defined by Chapter 4901:1-21 of the Substantive Rules applicable to electric service providers, an entity that sells electric energy to retail customers in Ohio. "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 EDU charges and fees payable by you regardless of whether the EDU or a CRES provider provides Generation Service. "Transmission Services" means moving high voltage electricity from a generation facility to the distribution lines of an EDU, which is either bypassable or non-bypassable to you, as determined in accordance with your Distribution Service. "Distribution Service" means the physical delivery of electricity to customers by the EDU.

RIGHT OF RESCISSION. Once you have been enrolled to receive Generation Service from AEP Energy, your EDU will send you a confirmation letter. You have the right to rescind your enrollment without penalty within seven (7) calendar days following the postmark date of the confirmation letter by contacting your EDU and following the instructions contained in the letter. This right of rescission only applies when you initially switch to AEP Energy and not upon renewal. Your EDU will not send a confirmation notice upon any renewal of this Agreement. In the event the EDU's retail electric choice program is terminated or materially changed in any manner prior to the end of the initial "Term" (as listed above) or renewal thereof, AEP Energy may terminate this Agreement, without penalty to either party.

OTHER IMPORTANT DISCLOSURES. In the event a third party was involved in this Agreement, including, without limitation, a broker or a shopping website, or you are part of a municipal aggregation, the pricing contained herein may be inclusive of a broker fee. Price Comparison Qualification. Please be advised that the EDU's standard offer rates generally change from time to time. AEP Energy therefore does not provide any guarantee of savings in comparison to the EDU's standard offer rates during the Term or the term of any renewals of this Agreement. If you received any price comparison(s) in connection with your enrollment, by accepting this offer from AEP Energy, you understand and agree that AEP Energy has informed you, prior to entering into this Agreement, that no guarantee of savings during the Term or the term of any renewals is being provided.

TERMS AND CONDITIONS OF SERVICE

1. **Eligibility.** Residential customer accounts that are on residential rates codes and are not enrolled in the Percentage of Income Plan Program (PIPP) are eligible for this offer from AEP Energy. AEP Energy reserves the right to refuse enrollment to any customer who is not current on their EDU charges.

2. **Price.** Starting with the first billing cycle of this Agreement through the last billing cycle of the initial Term, the price will be as stated above under the heading "Generation Service Charges." During the term of this Agreement, you agree to pay AEP Energy a price for all applicable combined Generation Service and Generation-Related Charges as specified in "Generation Service Charges" listed above. You are responsible for, and your price does not include, applicable state and local taxes and/or EDU charges, which will be billed by the EDU. For the "Term" listed above, all kilowatt-hours ("kWh") of electric energy metered by the EDU shall be billed at the rate per kWh specified above. In addition to AEP Energy's charges, you will be charged by your EDU for Distribution Service and other EDU charges and fees. An average residential customer, using 750 kWh of electricity on a monthly basis, would incur approximately \${D2D_SERVICE_PRICE} per month in such EDU charges and fees. In the event that any new, or any change in any existing, statute, rule, regulation, order, or other law, or procedure, tariff, rate class, or other process or charge, promulgated by any governmental authority or EDU, Independent System Operator, Regional Transmission Organization ("RTO"), such as PJM Interconnection, L.L.C. ("PJM"), or other regulated

service provider, alters to the detriment of AEP Energy its costs to perform or its economic returns under this Agreement (a "Change in Law or Regulation"), then AEP Energy will provide written notice requesting your affirmative consent and agreement, describing the Change in Law or Regulation, the resulting price revisions, and the future date upon which such revised pricing is requested to be effective (a "Price Revision Request"). You then will be able to affirmatively consent and agree to such Price Revision Request, and if you agree, you will pay the revised price described in such Price Revision Request, and all other terms and conditions of this Agreement not modified by such Price Revision Request will remain in full force and effect. If, however, you do not affirmatively consent and agree to the Price Revision Request within thirty (30) calendar days, then AEP Energy may terminate this Agreement without penalty, Cancellation Fee or further obligation (but you will remain responsible to pay AEP Energy for any electricity supply used before this Agreement is terminated, as well as any late fees). Such termination will be effective on the next available drop date as established by the EDU. Any such Change in Law or Regulation may include, but is not limited to, implementation of changes to or adjustments in the implementation of PJM settlements or new or changed PJM and EDU charges for transmission, capacity and ancillary services, or generation adequacy rules, regulations implementing installed capacity obligations, emission allowance requirements, obligations associated with environmental or energy law and regulations (including, without limitation, alternative energy requirements, carbon and greenhouse gas, or other similar controls) or otherwise. Note that if, due to a change in market conditions, we wish to lower the price per kilowatt hour charged to you under this Agreement, we may do so without your consent, provided there are no other changes to the terms and conditions of this Agreement.

3. Term (Length of Agreement). Your service from AEP Energy will begin with the next available meter-reading in the Term following: a) the seven (7) day rescission period; b) the acceptance of the enrollment request by AEP Energy (at its discretion and consistent with Section 7 below); and c) processing of the enrollment by your EDU, and will continue for the Term, unless otherwise terminated or renewed, ending on the meter read for the last month of service.

4. Billing. You will continue to receive a single bill, typically on a monthly basis, from your EDU that will contain both your EDU and AEP Energy charges. AEP Energy \${D2D_BILLING} offer budget billing for AEP Energy's charges. If you do not pay your bill by the due date, AEP Energy may cancel this Agreement after giving you a minimum of fourteen (14) calendar days' written notice. Upon cancellation you will be returned to your EDU 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. Further, your failure to pay EDU charges may result in your electric service being disconnected in accordance with the EDU tariff.

5. Penalties, Fees and Exceptions. Your EDU may charge you a switching fee. If you do not pay the full amount owed to AEP Energy by the due date of the bill, AEP Energy may charge a late payment fee up to one and one-half percent (1.5%) of the outstanding balance per month, or the maximum legally allowed interest rate, whichever is lower until such payment is received by AEP Energy. AEP Energy reserves the right to demand adequate assurances from you in the form of prepayment or other form of credit support in the event you fail to make payments in accordance with the terms herein. Customers requiring financial assurance will be required to post that assurance within three (3) business days of notice.

6. Cancellation/Termination Provisions/Failure to Pay. If this Agreement is not rescinded during the rescission period, enrollment will be sent to your EDU. You may terminate this Agreement, without penalty, if you move outside AEP Energy's service area or into an area where AEP Energy charges a different price, by providing AEP Energy with a thirty (30) calendar day

written notice prior to such move. Any failure to pay your bill shall be deemed a breach of this Agreement permitting AEP Energy to terminate this Agreement upon fourteen (14) calendar days' advance written notice. 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. In addition to any applicable Cancellation Fee, you will remain responsible to pay AEP Energy for any electricity supply used before this Agreement is cancelled or terminated for any reason, as well as any late fees. Should you cancel service with AEP Energy and return to standard offer service with your EDU, you may not be served under the same rates, terms, and conditions that apply to other EDU customers.

7. Your 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 EDU that includes, but is not limited to: your 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 seven (7) day rescission period; and c) acceptance of enrollment by your EDU.

8. Contract Renewal. Upon expiration of the initial Term and unless AEP Energy renews for a set term in accordance with the following sentence, this Agreement will automatically renew on a month-to-month basis at a Variable price per kWh, based upon the applicable RTO prevailing market and business conditions for electricity at the EDU load zone or equivalent market delivery point, plus an adder of up to \$0.05 per kWh for Generation Service. Pursuant to PUCO Case No. 14-568-EL-COI and PUCO guidelines, the retail electric product in any such month-to-month periods is defined as "Variable". Notwithstanding the preceding sentence, if AEP Energy chooses to renew this Agreement for a set term, then AEP Energy will send advance written notice not less than forty-five (45) calendar days prior to the end of the initial Term, and 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 five (5) business days after receipt of such notice. Pricing excludes taxes, Distribution Service charges, Transmission Service, and other non-bypassable EDU charges and fees. No cancellation fee will apply during any renewal Term on a month-to-month basis, but a cancellation fee may apply during a set term renewal, as specified in the renewal notice. You may obtain next month's Variable price by calling an AEP Energy Service Representative at the toll-free telephone number set forth in Section 16. Pricing is generally available on the fifteenth (15th) business day of each month for the next billing cycle. At any time after the initial Term during a month-to-month renewal, you may contact AEP Energy to enroll in a then-current plan. AEP Energy can renew this Agreement without your affirmative consent even when there is a change in the rate or other terms and conditions.

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 EDU, or for general utility information, you may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or TTY at 1-800-686-1570 (toll free) from 8:00 AM - 5:00 PM EST weekdays or at www.PUCO.ohio.gov. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service). You may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 AM - 5:00 PM EST weekdays, or

www.pickocc.org.

10. Miscellaneous. You have the right to request from AEP Energy, twice within a twelve (12)-month period, up to twenty-four (24) months of payment history, without charge. AEP Energy is prohibited from disclosing your social security number and/or account number(s) without your affirmative written consent except for AEP Energy's collections and reporting, participating in programs funded by the universal service fund pursuant to section 4928.54 of the Ohio Revised Code, or assigning your contract to another CRES provider. AEP Energy assumes no responsibility or liability for the following items that are the responsibility of the EDU: operation and maintenance of the EDU's electrical system, any interruption of service, termination of service, or deterioration of the EDU's service. In the event of a power outage, you should contact your local EDU. 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 EDU 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. By entering this Agreement, you represent and agree that the account served by AEP Energy under this Agreement is a residential account, in the EDU's service territory, and you are not an existing AEP Energy customer. AEP Energy reserves the right, at any time, to not enroll or to terminate service to customer locations that do not meet the preceding criteria and return you to the EDU (or previous AEP Energy product, if applicable) with no penalty to AEP Energy. AEP Energy's environmental disclosure statement is available for viewing on our website at AEPenergy.com. You agree that AEP Energy will make the required quarterly updates to the statement electronically on our website. We will also provide the information to you upon request.

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 PURPOSE 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 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 PUCO or RTO), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the EDU or any other cause beyond AEP Energy's reasonable control.

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, PUNITIVE, 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. Your Liability and Indemnification of AEP Energy. You assume full responsibility for retail electricity furnished to you at the delivery point(s) and on your side of the delivery point(s), and agree to and shall indemnify, defend, and hold harmless AEP Energy, its parent company and all of its affiliates, and all of their respective managers, members, officers, directors, shareholders, associates, employees, servants, and agents from and against all claims, losses, expenses, damages, demands, judgments, causes of action, and suits of any kind (hereinafter collectively referred to as "Claims"), including Claims for 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 this Agreement.

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

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

16. Contact Information. AEP Energy, 155 W. Nationwide Blvd., Suite 500, Columbus, OH 43215. For more information call (866) 258-3782 or visit AEPenergy.com.

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