

Variable Guaranteed Savings Plan

Background on Rhoads Energy

This is your agreement for natural gas supplied by Rhoads Energy. Please keep a copy for your records. Rhoads Energy is licensed by the Pennsylvania Public Utility Commission (PAPUC) to offer and supply natural gas within the PECO service territory. Our license number is A-2009-2138310. Rhoads Energy supplies the natural gas to PECO Energy based on how much you consume. PECO Energy (PECO) will then deliver the natural gas to you. Rhoads Energy sets the prices and charges that you pay. The PAPUC regulates natural gas distribution services provided by PECO. Rhoads Energy charges for natural gas will appear on PECO's bill in a separate section.

Definitions

Natural Gas Supply Charges — Charges for basic gas supply service sold in cubic feet. Commodity prices and charges are set by the natural gas supplier you have chosen.

Distribution Charges – Charges for the delivery of natural gas from the point of receipt into the natural gas distribution company's system for gas customers. The Public Utility Commission regulates these charges.

Basic Charges

Rhoads Energy agrees to supply natural gas for my service address listed on the reverse side of this letter. I agree to purchase the requirements of this service address from Rhoads Energy at the price indicated on the reverse side of this letter, and term listed beginning on the earliest start date permitted. I authorize Rhoads Energy to contact the utility and initiate this service on my behalf. I understand that Rhoads Energy may conduct a credit check prior to final approval of my service with Rhoads Energy.

Service Provisions

1. Term: Service will begin on your next scheduled meter read date after your enrollment has been accepted by PECO. Your first month's rate with Rhoads Energy is stated on the reverse side of this letter. **This rate is guaranteed for your first full billing cycle only and is based on PECO's current price to compare less 5%.** Rates for this plan will be changed on March 1, June 1, September 1, and December 1 based on the current PECO Price to compare in effect on each of these dates less 5%. Your price will not be pro-rated on each of these PECO price changes. This quarterly variable pricing plan will continue in force for a one-year period. You will be notified of your renewal options at the end of your 1st full year. You may obtain each month's variable price for the guaranteed savings plan by visiting our website at www.RhoadsEnergy.com or call us at 888-570-6225.

2. Variable Rate: THIS IS A VARIABLE RATE CONTRACT BASED ON PECO'S PRICE TO COMPARE AND THERE IS NO LIMIT ON THE RATE THAT CAN BE CHARGED OR THE AMOUNT BY WHICH THE RATE CAN CHANGE FROM ONE BILLING MONTH TO THE NEXT. You may contact Rhoads Energy at 800-673-2423 or by going to our website at www.rhoadsenergy.com to obtain the most current Guaranteed Savings Plan variable price as well as historical pricing for this rate. Historical pricing is not indicative of present or future pricing.

3. Cancellation/Relocation Provision for Residential Rate Code GR

Customers and Commercial Rate Code GC Customers: All residential customers Rate Code GR and Commercial customers Rate Code GC may cancel natural gas service with us at any time without penalty. Cancellation becomes effective upon the processing of your cancellation request by PECO. PECO Energy requires an 11-day notice prior to your next scheduled meter read date to transfer your account to a new supplier or back to PECO. If you move to another location within the PECO service territory, this agreement is cancelled.

4. Billing: You will receive a single bill from PECO that will contain PECO's charges and Rhoads Energy charges. Payment will be due according to PECO's billing schedule.

5. Right of Rescission: You may cancel this agreement within three (3) business days of your receipt of the agreement by contacting Rhoads Energy by telephone at 800-673-2423, by email at info@rhoadsenergy.com or by writing to Rhoads Energy, 205 Hazel Street, Lancaster PA 17603. Any cancellation after the third business day is subject to the provisions of item 3.

6. Dispute Procedures: Contact Rhoads Energy at 800-673-2423, by email at info@rhoadsenergy.com by mail at 205 Hazel Street, Lancaster PA 17603 with questions concerning our terms of service or natural gas charges.

You may call the PAPUC at 1-800-692-7380 if you are not satisfied after discussing your terms with Rhoads Energy. There is also information about shopping for a gas supplier available at www.PaGasSwitch.com and at www.oca.state.pa.us. **Liability:** We assume no liability for the following items associated with PECO Energy: Operations and maintenance of their system, including any interruption of natural gas service, gas leaks, or explosions caused by gas leaks, termination of service or deterioration of their service. In the event of an emergency the customer should call PECO Energy at 800-841-4141.

7. Limits on Warranties and Damages: You understand and agree that there are no warranties, either express or implied, associated with this offer or the natural gas sold hereunder. Rhoads Energy will bear no liability to you or any third party for consequential, punitive, incidental, special, or other indirect damages.

8. Governmental Actions: In the event that changes in any laws, orders, rules, tariffs, or regulations has the effect of increasing our cost of natural gas, we will advise you of such change and notify you of the new price at which we propose to continue to serve you under your Agreement. We will advise you of such proposed new contract price in two advance notices prior to the effective date of the new price. You may then affirmatively elect the new contract price and we will continue to provide natural gas service at that price, or if you do not elect the new contract price, Rhoads Energy has the option of returning your account to PECO Energy's default supply service.

9. Assignment: Rhoads Energy may assign this agreement in whole or in part, to an affiliate or third party. Rhoads Energy will provide you a 30-day notice of any assignment.

Contact Information

Rhoads Energy
205 Hazel Street
Lancaster PA 17603
Phone: 800-673-2423
www.RhoadsEnergy.com

Customer service Email: info@rhoadsenergy.com

Information about shopping for a gas supplier is available at www.PaGasSwitch.com, by calling the Pennsylvania Utility Commission at 800-692-7380, or at www.oca.state.pa.us.