



Maryland Residential and Small Commercial Disclosure Statement and Terms of Service

This is an agreement for electric generation service between Spark Energy, LLC (“Spark Energy” or “we”) and you, for the service address or addresses set forth in your Welcome Letter or Electric Service Agreement. Together, this Disclosure Statement, including the terms of service set forth herein, and your Welcome Letter or Electric Service Agreement collectively describe your agreement with respect to your purchase of electric generation service from Spark Energy (Agreement). You will be bound by all the provisions of the Agreement, as they may be amended from time to time. Spark Energy is licensed by the Maryland Public Service Commission to offer and supply electric generation services in Maryland. We set the generation prices and charges that you pay. Your Electric Distribution Company will deliver the electric generation to you. The Public Service Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

Definitions

- Electric Distribution Company (EDC) – The public utility providing facilities for the distribution of electricity to retail customers.
- Generation Charge – Charge for production of electricity.
- Public Service Commission (PSC) – the Maryland Public Service Commission.
- Transmission Charge – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

Right of Rescission – You may rescind this Agreement at any time before midnight of the third business day after receiving this disclosure statement.

Terms of Service

1. Basic Service Prices.

Your rate plan will be as specified in your Welcome Letter or Electric Service Agreement.

Fixed Rate Plan: You will pay the fixed rate per kWh as specified in your Welcome Letter or Electric Service Agreement for the length of your Term. You may also pay a monthly administrative fee, the amount of which, if applicable, is disclosed in your Welcome Letter or Electric Service Agreement.

Immediate Savings Plan: For the first two months of your plan, you will receive a specified percentage savings (shown in your Welcome Letter) off of the EDC’s base energy rate for electricity supply. Thereafter, you will receive Spark Energy’s standard variable rate which will vary according to market conditions. You may also pay a monthly administrative fee, the amount of which, if applicable, is disclosed in your Welcome Letter or Electric Service Agreement.

Variable Rate Plan: A month-to-month plan where your rate may vary according to market conditions. There is no limit on how much your rate may vary from one billing cycle to the next.

The rate you pay Spark Energy will include the Generation Charge and Transmission Charge for services provided under this Agreement. Your price does not include applicable Maryland sales tax or any local tax. You are responsible for any and all taxes (whether passed through to you on EDC’s bill as a separate line item or as part of the price of electricity, as required by law, rule or regulation) and EDC charges for delivery and distribution services. Spark Energy rates are not regulated by the PSC. Except as otherwise provided in this Agreement or as required by law, all taxes of whatsoever kind, nature and description, due and payable with respect to your performance of your obligations under this Agreement, will be paid by you. If you are a tax-exempt entity, you must provide Spark Energy with the necessary certificates and other documentation to qualify for such status.

2. Billing. Spark Energy Services are only a portion of your total monthly bill for delivery of electricity. Your EDC will continue to issue a monthly bill and the bill will include both Spark Energy’s charges and the EDC’s delivery charges, and any other charges incurred in accordance with this Agreement. Your EDC may provide Spark Energy your customer billing and payment information as part of the billing process. Bills will continue to be based on actual or estimated meter readings. Spark Energy will use the same meter reading information from the EDC to derive your Generation Charges. Unless otherwise provided herein, your payment terms will be governed by the terms of the EDC’s tariff. Spark Energy does not pay or arrange for the payment of any outstanding debts owed by you to the EDC or a previous electric supplier.

3. Length of Agreement (Term)/No Guarantee of Switch Period. The Term of this Agreement is as specified on your Welcome Letter or Electric Service Agreement. With the exception of a new meter installation or special meter reading date, you will buy your electric generation service for the service addresses set forth in your Welcome Letter or Electric Service Agreement

from Spark Energy on the next regularly scheduled meter reading date available and will continue to do so for the entire Term. Customer acknowledges that Spark Energy cannot guarantee a switch of Customer's account by a specific date and hereby holds harmless Spark Energy from any liability for, or arising out of, delays in this process. This Agreement shall remain in effect until you notify Spark Energy in writing or by phone of your intent to cancel at least 30 days prior to your requested end date and until such time as the EDC completes the termination in accordance with its rules.

4. Penalties, Fees and Exceptions.

You may be assessed an early termination fee if you cancel or terminate this Agreement prior to the end of the Term. If an early termination fee is applicable, the amount of the early termination fee will be specified in your Welcome Letter or Electronic Service Agreement.

Notwithstanding the foregoing, you may cancel this Agreement without being assessed an early termination or cancellation fee if you move to another location and provide a forwarding address and, if required, reasonable evidence that you no longer occupy the service address. You will be responsible for amounts due, up to the switch date, of all outstanding charges incurred prior to cancellation by you.

If you default in the prompt payment of amounts due under this Agreement, you will be liable for any and all fees or charges, including reasonable attorney fees and court costs, incurred in connection with the collection of delinquent balances. Spark Energy may use the services of debt collection agencies, consumer reporting agencies, and other remedies as allowed by law to collect any unpaid balances on your account.

You will be assessed a fee of \$30.00 for payments returned for insufficient funds or credit card transaction not processed due to insufficient funds or credit availability by any method of payment including, but not limited to, bank or personal check, automatic payment plan account deduction or credit/debit card.

5. Cancellation Provisions. After the expiration of your Right of Rescission, you may cancel this Agreement at any time by calling Spark Energy at 1-877-54 SPARK (77275), but you will be required to pay the early termination fee described in Section 4 above, if applicable. If you request to cancel this Agreement, the cancellation will not take effect until the next actual meter read date following the date Spark Energy notifies your EDC. You will be responsible for all payments due hereunder until the cancellation of electric generation service is completed. If for any reason Spark Energy is no longer able to economically continue this Agreement, Spark Energy may terminate this Agreement at any time with at least fifteen (15) calendar days' notice to you after complying with applicable regulations. This Agreement may be cancelled at the sole discretion of Spark Energy if you fail to meet any of the terms and conditions of this Agreement or if any of the information you have provided to Spark Energy is or becomes untrue. Upon early termination of this Agreement by Spark Energy, your available remedies will be limited as provided in Sections 10, 11, and 12 of this Agreement. If this Agreement is cancelled, expires, or otherwise terminated, you will receive uninterrupted service from the EDC until you designate another provider of electric generation service or service is shut off by the EDC. Only the EDC may shut off your electric power.

6. Agreement Expiration/Change in Terms. If you have a fixed term agreement with us and it is approaching the expiration date, or if we propose to change our terms of service, we will send you advanced notice either in your bill or in separate mailings 45 days before either the expiration date or the effective date of the changes. We will explain your options in this advanced notice, including your right to cancel this Agreement without penalty upon expiration of your fixed rate. Spark Energy will provide written notice to you, free of charge, and a copy of any material change to this Agreement prior to the date any such change becomes effective. Upon receipt of written notice of a material change, you may terminate this Agreement without penalty prior to the date such change becomes effective.

After notifying you of an approaching expiration, we will follow your instructions. If you do not respond to the notice, at its discretion, Spark Energy may renew your electric generation service under the rates described in your expiration letter.

7. Information Release and Authorization. By accepting this contract I authorize Spark to obtain information from the utility through the term including, but not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electricity usage, rate classification, meter readings, characteristics of electricity service, and when charges under this Agreement are included on my Utility bill, billing and payment information from the Utility. I authorize Spark to release that information to third parties who need to use or be aware of such information in connection with my electric generation service, as well as to its affiliates and business partners for marketing purposes. These authorizations shall remain in effect as long as this Agreement (including any renewal) is in effect. I may rescind these authorizations at any time by either calling Spark at 1-866-288-2874 or providing written notice to Spark. Spark reserves the right to reject my enrollment or terminate the Agreement if I rescind these authorizations, if I fail to meet or maintain satisfactory credit standing as determined by Spark, or if I fail to meet minimum or maximum threshold electricity consumption levels as determined by Spark, if I fail to remit payment in a timely fashion, Spark may report the delinquency to a credit reporting agency.

8. Dispute Procedures. Contact us with any questions concerning our terms of service. You may call the PSC if you are not satisfied after discussing your terms with us. PSC contact information is provided at the bottom of this Agreement for your convenience.

9. Warranties. SPARK ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH REGARD TO THE PROVISION OF ELECTRIC GENERATION SERVICE AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

10. Limitation of Liability. You will be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the electric power after receipt at the delivery point or points. SPARK ENERGY WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES), WHETHER BY STATUTE, IN CONTRACT OR TORT, EVEN IF THE RESULT OF NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE). ALL OTHER LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY. YOU HEREBY WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT. To the extent any damages required to be paid hereunder are liquidated, the parties acknowledge that the damages are not intended and shall not be construed as a penalty, such damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient or impossible, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

11. Mandatory Arbitration. Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise ("Claim"), arising out of or relating to this agreement or the relationships among the parties hereto shall be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association ("AAA"), under the AAA Commercial or Consumer rules, as applicable, in effect at the time the Claim is filed ("AAA Rules"). Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any such suit may be brought only in Federal District Court for the District, or if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver".

12. Class action Waiver. Any Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any entity or person not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

13. Miscellaneous.

(a) If Spark Energy is rendered unable to perform, in whole or in part, by a Force Majeure event, its performance under this Agreement will be excused for the duration of such event. "Force Majeure" means any act or event that is beyond the reasonable control of Spark Energy that adversely affects, interrupts, or precludes its performance. In addition, acts of other parties, including without limitation, RTOs, aggregators, other suppliers, qualified scheduling entities, EDCs, any governmental authority, and the respective employees and agents of such parties, will also be deemed to be events of Force Majeure.

(b) Your electric generation service will be provided in accordance with your existing connection requirements unless you request a change by the EDC and pay for the cost of that change. You may not resell or use any electric power provided under this Agreement as an auxiliary or supplement to any other source of power. The supply of electric power under this Agreement will be measured at the delivery point by the EDC providing the delivery service in accordance with the terms of the applicable tariff for electric generation service. Spark Energy and you will be bound by the measurement from the meters owned, installed, maintained and read by the EDC.

(c) This Agreement will be governed by, interpreted, construed and enforced in accordance with the laws of the State of Maryland, without regard to principles of conflicts of laws.

(d) These Terms of Service, along with your Welcome Letter or Electric Service Agreement, constitute the entire agreement between you and Spark Energy relating to the subject matter hereof and supersede any other agreements, written or oral, between you and Spark Energy concerning the subject matter of the Agreement.

(e) You may not assign this Agreement or your obligations under this Agreement without Spark Energy's prior written consent. Spark Energy may assign this Agreement, together with all rights and obligations hereunder, to (i) Spark Energy's electricity

supplier, or such supplier's designee, (ii) an affiliate of Spark Energy or to any other person succeeding to all or substantially all of Spark Energy's assets, or (iii) in connection with any financing or other financial arrangement.

(f) Any failure by Spark Energy to enforce any term or condition of your electric generation service or otherwise exercise any right it may have under this Agreement will not be deemed a waiver of any rights to thereafter enforce any or all of the terms or conditions of your service or to exercise rights under this Agreement.

(g) Should any provision of this Agreement for any reason be declared invalid or unenforceable by final and applicable order by a court or any regulatory body having jurisdiction, such decisions shall not affect the validity of the remaining portions, and the remaining portions shall remain in effect as if this Agreement had been agreed to without the invalid portion. If any provision of this Agreement is declared invalid, the remainder of this Agreement will be construed so as to give effect to its original intent and effect as near as possible.

(h) The provisions of this Agreement concerning payment, limitation of liability, waivers, arbitration and waiver of class actions will survive the termination or expiration of this Agreement.

(i) The parties may execute the Agreement in counterparts, each of which is deemed an original and all of which constitute the same instrument.

14. Contact Information. Information regarding Spark Energy's energy sources, energy efficiency, environmental impacts, or historical billing data is available upon request.

Energy Supplier:

Spark Energy, LLC
12140 Wickchester Lane, Suite 100
Houston, TX 77079
1-877-54 SPARK (77275)
MD License No.: IR-979
www.sparkenergy.com
Hours of Operation: Monday through Friday (except holidays), 7:00 a.m. to 7:00 p.m., and Saturday, 9:00 a.m. to 4:00 p.m., Central Time

Electric Distribution Company &
Provider of Last Resort:

Baltimore Gas and Electric Company (BG&E)
750 E. Pratt St.
Baltimore, MD 21202
1-800-685-0123
www.bge.com

In the case of an outage, call:

1-877-778-2222

Public Utility Commission:

Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul St., 16th Floor
Baltimore, MD 21202
(410) 767-8000 or toll free (800) 492-0474
Website: www.psc.state.md.us

15. Rewards Program Terms. Rewards are subject to the following terms and conditions.

For purposes of receiving incentives and rewards, active accounts are defined as those (i) that are billing more than \$0 and (ii) for which we have not received a request to discontinue (drop) service or change programs and (iii) are in *good standing (no past-due balance owed)* during the minimum required number of days stated in the offer.

Rewards and incentives are also subject to the reward and incentive terms and conditions stated in the offer, located on our website and stated in the offer and those terms and conditions in the Terms of Service between Spark Energy and you, including, but not limited to, all terms related to dispute resolution. Spark Energy reserves the right to disqualify any account holder from participation in reward and incentive programs.