



A PAETEC Company

TERMS AND CONDITIONS

The terms and conditions stated below and the Electricity Agreement Form are referred to as the contract ("Contract" or "Agreement") that you have with U.S. Energy Partners LLC ("USEP" or the "Company").

Office locations and hours. Our office is located at 100 College Parkway, Suite 280, Williamsville, New York 14221, and the office is open 9 AM to 5 PM Monday through Friday. A request for service can be made by calling 716-631-1517.

Emergencies: In the event of a service interruption or other emergency, Customer should immediately call their utility (NYSEG): 1.800.572.1131, RGE: 1.800.743.1701, National Grid, 1.800.867.5222) or 911.

Termination of service, Expiration of Contract. The Company reserves the right to terminate the Agreement if the Customer breaches the Agreement, or there are changes in regulatory rules governing our ability to operate the program. If we elect to terminate service, we will notify you and your local utility at least 15 days prior to the termination of service. Advance notice will allow you to (1) renegotiate a new agreement or (2) select another supplier, or (3) return to the utility. The Company reserves the right not to enroll any customer in the Company's sole opinion. The utility has the right to terminate service as outlined in its tariff, including for the failure of a customer to pay ESCO supply charges that are included on a bill issued by the utility.

Taxes. You are responsible for any federal, Indian, state, local, sales, use or consumption taxes or similar taxes which are now or hereafter imposed. You shall pay such taxes unless the Company is required by law to collect and remit such taxes, in which case you shall pay the Company. If you claim exemption from any such taxes, you must provide the Company a proper exemption certificate. The Company reserves the right to amend your price if additional taxes, fees or assessments are imposed by any governmental entity.

Breach of Agreement. If the customer breaches this contract prior to its expiration date, the Company is entitled to consequential damages and lost profits from the customer. Except as provided herein neither party shall be liable to the other for incidental, consequential or punitive damages or lost profits. The fixed price portion of the charges will be based on historical consumption for the account. Any incremental quantities over historical quantities will be priced at the Guaranteed Savings price.

Force Majeure. If either party is unable to perform its obligations under this Contract due to force majeure, performance of such obligations shall be suspended until the force majeure is corrected. The party claiming such inability shall give written notice thereof to the other party as soon as practicable after the occurrence of the force majeure. Force majeure shall mean acts of God, strikes, lightning, fires, floods, explosions, storms or storm warnings, breakage of machinery or pipelines, or generating equipment, laws, rules, regulations or orders of any government, agency, political subdivision or instrumentality thereof having jurisdiction; injunction or judicial restraints; failure of electric supply, failure or curtailment of firm transmission, and any other cause not within the control of the party claiming force majeure.

Title: All electricity sold under this Agreement shall be delivered to a location considered the "Point of Delivery", which shall be at the NYISO (USEP) load bus (located outside of the municipality where the Customer resides), and shall constitute the point at which title transfers and the sale occurs.

Assignability. This Contract cannot be assigned by the customer without the written consent of USEP. This Contract may be assigned by USEP to another party provided that the assignee is qualified to sell electricity in New York State. A merger or change in control shall not be considered an assignment.

Delay or failure to exercise rights/No Warranties. No partial performance, delay or failure on the part of the Company in exercising any rights hereunder, shall constitute a waiver of such rights or of any other rights hereunder. Unless expressly set forth in this Agreement, the Company provides no warranty, express or implied, statutory, or in any provision of this Agreement, or any other communication from the company and its agents, and the Company specifically disclaims any warranty of merchantability and fitness for a particular purpose.

Entire Agreement, Modification, and Choice of Law. This is the complete Contract between the parties and can only be amended in writing signed by both parties. However, USEP may modify any terms of this Agreement at any time by notifying you of the change. If any change affects your price, payment terms, or the term of the Agreement USEP will give you written notice before the change is effective. After the receipt of notice, you shall have the option of canceling the agreement, without any fee for cancellation, by providing written notice to USEP before the commencement of the next billing cycle. This Contract shall be governed by and construed in accordance with laws of the State of New York Customers with questions regarding how the complete energy market works and the role played by ESCOs should call the Department of Public Service ("DPS") Retail Access number at 888-697-7728.

Dispute Resolution - (Commercial Customers) In the event of a billing dispute or disagreement involving USEP service, Customer must notify USEP in writing within 60 days after the due date, otherwise the dispute is deemed waived. Customer must pay the bill in full, except for the specific disputed amount, during the pendency of the dispute. If the parties cannot resolve the dispute within 45 days, either party may avail itself of all remedies available under law or equity. The DPS will not resolve non-residential disputes associated with the services provided under this Sales Agreement. However, the DPS will monitor inquiries and contacts from non-residential customers regarding energy service companies and an excessive number of confirmed complaints may result in an energy service company no longer being eligible to supply electricity or natural gas in New York State (see DPS address and phone number below). Dispute Resolution (Residential Customers) In the event of a billing dispute or a disagreement involving USEP's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact USEP by telephone or in writing as provided above. The dispute or complaint relating to a residential customer may be submitted by either party at any time to the DPS pursuant to its Complaint Handling Procedures ("Procedures") by calling the DPS at 1.800.342.3377 or by writing to the DPS at: New York State Department of Public Service, Office of Consumer Services, Three Empire State Plaza, Albany, New York 12223, or through its website at: <http://www.dps.state.ny.us>. Customer must pay the bill in full, except for the specific disputed amount, during the pendency of the dispute, and such payment shall be refunded if warranted by the decision of DPS.