

Great American Power, LLC
Disclosure Statement and Terms of Service
Effective March 18, 2016
Residential and Small Commercial Customers of Potomac Electric Power Company

Background

This along with your Contract Summary is your agreement for electricity generation supplied by Great American Power, LLC ("GAP"). Please keep a copy for your records. GAP is licensed by the State of Maryland Public Service Commission to offer and supply electricity in Maryland. Our license number is **IR-2440**. GAP supplies the electricity to your electric distribution company ("EDC") based on the amount you use. Potomac Electric Power Company (PEPCO), your electric distribution company, will then distribute (deliver) the electricity to you. GAP sets the generation supply prices and charges that you pay. The Maryland Public Service Commission regulates electric distribution prices and services provided by PEPCO. The Federal Energy Regulatory Commission regulates transmission prices and services. Your charges from GAP for electricity supply (generation and transmission) will appear on your PEPCO bill in a separate section.

Key Definitions

Standard Offer Service Provider – this is typically the electric utility that provides generation services to those who do not choose another supplier, are unable to find a supplier willing to serve them, or no longer receive generation services from another supplier. Your Standard Service Provider is Potomac Electric Power Company.

EDC – the public utility that provides facilities for the transmission and distribution of electricity to retail customers. Electric distribution companies are regulated by the PSC. Exceptions include building or facility owners or operators that manage their internal distribution system and supply electric power and electric services to occupants of the building or facility. Your EDC is Potomac Electric Power Company.

Early Cancellation Fee – the fee assessed to cover liquidated damages and administrative costs to fixed rate customers or to cover administrative costs to variable rate customers that cancel or cause their accounts to be canceled prior to the completion of the term of their service agreement.

EGS – abbreviation for "Electric Generation Supplier". A company licensed by the Maryland Public Service Commission that sells electricity to customers, using the transmission or distribution facilities of an electric distribution company (EDC).

Supply Charge - the charge for generation and transmission of electricity from the generation source to the EDC. If you purchase electricity from an electric supplier, your supply charge will depend on the contract between you and your supplier.

Service Provisions

1. Term: This agreement will be in effect for the service address as specified in your Contract Summary as of the date accepted by us, but not before your three business day right of rescission. The EDC determines your service switching date. We will begin providing you electricity supply on the date that the EDC determines as the service switch date. Switching your service or rate may take up to 2 billing cycles. You will buy your electric generation service for your meter and service address listed in your Contract Summary. The Contract Summary includes information on the rate plan and the term you have chosen.

For Variable Rate Plans, this agreement shall be for the term you agreed to as shown on your Contract Summary and shall continue on

a month-to-month basis until either party provides at least 15 days prior notice.

For Fixed Rate Plans, your Initial Term is the initial term that is specified in your Contract Summary. Prior to your expiration or renewal date, or if we propose to change terms of service, we will send you two (2) advance notices either in your bill or in separate mailings between 30 and 60 days before either the expiration date or the effective date of the changes. The first notice is sent to advise you of the expiration date of a Fixed Rate Plan. The second notice will include renewal options.

2. Pricing: GAP's Electric Generation and Transmission Charge

You agree to pay GAP the total supply charge based on the rate plan you accepted and as specified in your Contract Summary. This charge includes Electric Generation Service Charges, Transmission Charges, and estimated total state taxes including Gross Receipts Tax, but excludes applicable state and local sales taxes and the Distribution Charges from your local EDC. The rate per kilowatt hour may not always represent savings over the EDC price to compare.

For Variable Rate Plans you will be charged the rate in effect at the time of your enrollment or the introductory rate as specified in your Contract Summary for at least one billing period. Thereafter, the rate will be set by us each month based on our evaluation of a number of factors that may include the cost of electricity available in the PJM and PEPCO area including ancillary services, transmission, line losses, capacity, renewable energy, and other costs incurred related to the procurement of electricity. We may also evaluate the recovery of extreme spot market electricity cost changes. You can review the price history the rates for the non-introductory Variable Rate Plan by visiting www.greatamericanpower.com or by contacting customer care. Historical prices are provided for reference only and are not indicative of current or future pricing.

For Fixed Rate Plans, you will be charged for electric generation at the rate and for the number of months as specified in your Contract Summary.

3. Sales Tax Exemption: If you are exempt from sales tax, you must submit a sales tax exemption form to GAP before any exemption can be processed.

4. Billing: You will receive a single bill from PEPCO that will contain PEPCO's charges and GAP's charges. If you currently have budget billing with PEPCO you will continue to receive budget billing for GAP's charges, if available. Bills will be due according to PEPCO's billing schedule. PEPCO provides your local distribution service. If you have any questions regarding distribution charges or service, please contact them directly at 202-833-7500.

5. Right of Rescission: You have the right to cancel this agreement at any time before midnight of the third business day following the receipt of this disclosure statement.

6. Customer's Right to Cancel: For Variable Rate customers, you may cancel your supply service with GAP at any time. Refer to your Contract Summary to determine if you are subject to an Early Cancellation Fee. For Fixed Rate customers, your Early

Cancellation Fee will be as described in your Contract Summary. Cancellation becomes effective upon the processing of your cancellation request by PEPCO. PEPCO will determine the service end date. You agree to pay for the services provided by GAP through the date you are switched to another EGS or returned to the EDC for service. If you move this agreement is cancelled.

7. Cancellation for Nonpayment: If your electric service is terminated by your EDC, then this agreement is cancelled on the date that your electric service is terminated. You will be subject to all applicable Penalties and Fees as described below.

8. GAP's Right to Cancel Service: GAP reserves the right to cancel this agreement (i) if your EDC is unable to read your meter for three (3) months in a row; (ii) if at any time you request separate bills from your EDC and GAP; (iii) if the EDC removes you from their consolidated billing program and requires that GAP bill you separately for your electricity generation, or (iv) you are a commercial customer and your billing demand exceeds 125 kW in any of the prior 12 months of electric service. You agree to pay for the services provided by GAP through the date you are switched to another EGS or returned to the EDC for service. The EDC determines the service end date after GAP gives notice to the EDC of the service cancellation. We will notify both you and your EDC of the cancellation of this agreement at least 16 days prior to the effective date of cancellation.

9. Early Cancellation Fees, Penalties, Fees, and Exceptions: For Fixed Rate Plans and certain Variable Rate Plans, you may be subject to an ("Early Cancellation Fee") if you cancel, or cause this agreement to be canceled or otherwise breach this agreement. The Early Cancellation Fee for liquidated damages for Fixed Rate Plans or administrative costs for Variable Rate Plans will be as specified in the Contract Summary and is due and payable immediately upon the effective date of the cancellation. The early cancellation fee is not applicable if you cancel your service to move.

10. Renewal Provisions/Agreement Expiration/Change in Terms: If you have a Fixed Rate Plan that is approaching the expiration of the Term, or if GAP proposes to change the terms of the Disclosure Statement and Terms of Service, you will be sent two separate written notifications that precede either the expiration date of your Fixed Rate Plan or the effective date of the proposed changes. These notifications will explain your options.

11. Customer Information Release Authorization: You agree to allow us to obtain information about your service including usage and billing history. We will only use this information as it directly relates to your service with GAP.

12. Dispute Resolution: Contact GAP at 877-215-4140 or by mail at PO Box 1627, Kennesaw, GA 30156 with any questions concerning our terms of service. You may call the Maryland Public Service Commission at 800-492-0474 or write to them at the Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul St., 16th Floor, Baltimore, MD 21202 if you are not satisfied after discussing your terms with GAP.

13. Assignment: We may assign this agreement in whole or in part to a supplier affiliate of GAP or any other supplier that is licensed and authorized to provide service by the Maryland Public Service Commission

14. Force Majeure: Certain events outside our control may cause interruptions in electricity supply services. If a Force Majeure event prevents us from supplying electricity, we are not liable for damages associated with this inability to perform. "Force Majeure" events may include nonperformance by the EDC, acts of terrorism, natural disasters, vandalism, work stoppages, riots, and other events outside

the control of GAP.

15. Limited Time Offer/Eligibility: The offers made available are intended for customers being served by the EDC as residential customers or small commercial customers with a billing demand that is less than 125 kilowatts. We reserve the right to rescind our offer if we find your billing demand exceeds 125 kilowatts in any of the previous 12-months or to cancel your service if your billing demand exceeds 125 kilowatts while GAP is providing service for you.

16. Special Terms: We may also provide rewards, rebates, or other incentives based on meeting specific criteria that will be defined as Special Terms in your Contract Summary. Upon your meeting the conditions specified in the Special Terms, we will process and provide to you the reward, rebate, or incentive within the timeframe specified in the Special Terms section of your Contract Summary..

We may also provide discounts to active US military and reserve personnel, honorably discharged veterans, and surviving spouses. You must provide adequate and acceptable proof of eligibility including but not limited to military ID or discharge documentation. The military discount is only available for a single primary residence and is not available for commercial accounts. The military discount is only available for eligible customers on our Variable Rate Plan and cannot be combined with any other discount or promotion.

17. Contact Information:

Supplier Name: Great American Power, LLC
PO Box 1627
Kennesaw, GA 30156
Phone: 877-215-4140 Mon – Fri 8:00 am – 5:00 pm
Fax: 404-581-5742
Email: service@greatamericanpower.com
www.greatamericanpower.com

Electric Distribution Company: Potomac Electric Power Company
701 Ninth Street
Washington, DC 20068
202-833-7500

Public Service Commission (PSC)
Maryland Public Service Commission
William Donald Schaefer Tower, 6 St. Paul St., 16th Floor
Baltimore, MD 21202
800-492-0474

18. Limits on Warranties and Damages: You understand and agree that there are no warranties, either express or implied, associated with this offer or the electricity service sold hereunder. GAP will bear no liability to you or any third party for consequential, punitive, incidental, special or other indirect damages. Our liability to you will be the maximum of one month of supplier charges during the preceding 12 months.

19. Governmental Actions: If action is taken by federal or state governmental authorities which significantly changes the way GAP does business with you, GAP may change its price to you. If possible, GAP will send you two (2) advance notices either in your bill or in separate mailings between 30 and 60 days of the effective date of the price changes.