



A Touchstone Energy® Cooperative



Terms of Service Agreement

Residential Plan Variable Price Product: (IOU service area)

NECCo-opEnergyTX06172019-RES

The following Terms of Service Agreement will apply to residential customers who select NEC Co-op Energy as their Competitive Retail Electric Provider (CR) under this plan. If you would like to receive this information in Spanish, please contact us at 1-855-632-7348 (toll-free).

Si usted prefiere recibir esta información en español, llame gratis al número 1-855-632-7348.

Contact Information

Name of Provider: NEC Co-op Energy – PUCT #10166X
Mailing Address: 14353 Cooperative Ave., Robstown, TX 78380
Physical Address: 5017 Saratoga Blvd. #135, Corpus Christi, TX 78413
Business Hours: 8 am-5 pm, M-F CDT
Customer Assistance: 1-855-632-7348 (toll free) or 361-767-3865 (Robstown/Corpus Christi)
Provider Fax: 361-387-2919
Website: www.neccoopenergy.com
E-mail Address: help@neccoopenergy.com

Service Outage Reporting:

In Nueces Electric Cooperative area:

1-800-632-9288 (toll free), 361-387-2581 (Calallen)

In AEP Texas Central & AEP Texas North areas:

1-866-223-8508

In Texas-New Mexico Power Company area:

1-888-866-7456

In TXU Energy Delivery area:

1-888-313-4747

In CenterPoint area:

1-800-332-7143

Pricing:

- The price for your electric service from NEC Co-op Energy is a variable price. The calculation of your price is explained in the Electricity Facts Label provided to you with this Terms of Service Agreement.
- Your price is also subject to change if the Public Utility Commission of Texas (PUCT), Municipal Utility, or Local Electric Cooperative changes Transmission and Distribution Service Provider (TDSP) delivery charges or other regulatory fees.
- The variable price shown on the Electricity Facts Label does not include applicable state and local taxes and other non-recurring fees. You will be charged for all applicable taxes and non-recurring fees and these charges will appear separately on your monthly bill. Non-recurring fees, which are based on the TDSP's tariff for retail delivery service approved by the PUCT, will be charged for services provided to you by

the TDSP such as out of cycle meter reading fees, meter test fees, disconnection and reconnection fees, etc.

- You agree to pay the price as specified in the most current Electricity Facts Label for this plan and all associated amounts that will be shown on your monthly bill for electric service.

Right of Rescission:

If you are switching your electric service to NEC Co-op Energy, you have the right to rescind your acceptance of this Terms of Service Agreement without fees or penalties of any kind, within three federal business days (includes Saturday) after receiving this Terms of Service Agreement. You may rescind either by phone at 1-855-NEC-RD4U (855-632-7348) (toll free), fax at 1-361-387-2919 or email at help@neccoopenergy.com. Please provide your name, address, phone number, Electric Service Identifier (ESI ID) or account number, and a statement that you are rescinding your agreement under the three-day Right of Rescission.

Terms of Service Agreement Term and Renewal:

The term of this agreement with NEC Co-op Energy is on a month-to-month basis and will begin with the first meter reading provided to NEC Co-op Energy. This agreement will automatically renew each month, unless cancelled by you or NEC Co-op Energy as provided herein.

Cancellation of Terms of Service Agreement by Customer:

You have the right to terminate your agreement with NEC Co-op Energy without penalty for any reason including:

- You move to another location. Please provide us 30 calendar days advance written notice.
- Market conditions change.
- NEC Co-op Energy notifies you of a material change in the terms and conditions of this Terms of Service Agreement.

Change in Terms and Conditions:

NEC Co-op Energy will provide you with written notice 45 days in advance of any material change in this Terms of Service Agreement. Upon receiving the written notice, you have the right to terminate the Terms of Service Agreement and choose another Competitive Retail Electric Provider (CR), subject to availability. Pricing changes that are made to track changes in fuel costs are not material changes requiring advance notice because this is a variable price service as explained in your Electricity Facts Label. NEC Co-op Energy is not required to notify you of material changes that benefit you or for changes that are mandated by regulatory agencies. Notice is not required for seasonal or variable price changes because this Terms of Service Agreement, together with the Electricity Facts Label, clearly specifies the manner in which prices may be adjusted under a seasonal or variable pricing plan.

Discrimination:

NEC Co-op Energy will not deny service or require a payment or deposit for service based on a customer's/applicant's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income,

level of income, disability, familial status, location of a customer/applicant in an economically distressed geographic area, veteran status, or qualification for low income or energy efficiency services.

Initial Deposit and Enrollment Eligibility:

This Agreement is conditioned upon you meeting the eligibility requirements of NEC Co-op Energy in compliance with §25.478 and 25.24 of the PUCT Substantive Rules (<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>) and Tex. Util. Code §17.008. If you, as an applicant, qualify to receive service from NEC CO-OP ENERGY (under PUCT Substantive Rule 25.477 - <http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>) and are required to pay an initial deposit, you may be able to have the initial deposit waived if you can establish and maintain satisfactory credit with NEC CO-OP ENERGY. A residential applicant can demonstrate satisfactory credit using any one of the criteria listed below:

- (A) The residential applicant:
 - (i) has been a customer of any electric utility for the same kind of service within the last two years;
 - (ii) is not delinquent in payment of any such electric utility service account;
 - (iii) during the last 12 consecutive months of service was not late in paying a bill more than once;
 - (iv) did not have service disconnected for nonpayment; and
 - (v) is encouraged to obtain a letter of credit history from the applicant's previous electric utility
- (B) A residential customer or applicant may be deemed as having established satisfactory credit if the customer or applicant possesses a satisfactory credit rating obtained through a consumer reporting agency, as defined by the Federal Trade Commission.
- (C) The residential applicant demonstrates a satisfactory credit rating by appropriate means, including, but not limited to, the production of:
 - (i) generally acceptable credit cards;
 - (ii) letters of credit reference;
 - (iii) the names of credit references which may be quickly and inexpensively contacted by the electric utility; or
 - (iv) ownership of substantial equity that is easily liquidated.
- (D) The residential applicant is 65 years of age or older and does not have an outstanding account balance incurred within the last two years with the electric utility or another electric utility for the same type of utility service.
- (E) A residential customer or applicant may be deemed as having established satisfactory credit if the customer or applicant has been determined to be a victim of family violence as defined in the Texas Family Code §71.004 (<http://www.statutes.legis.state.tx.us/>), by a family violence center as defined in Texas Human Resources Code §51.002 (<http://www.statutes.legis.state.tx.us/>), by treating medical personnel, by law enforcement personnel, by the Office of a Texas District Attorney or County Attorney, by the Office of the Attorney General, or by a grantee of the Texas Equal Access to Justice Foundation. This determination shall be evidenced by submission of a certification letter developed by the Texas Council on Family Violence.
- (F) A residential customer or applicant seeking to establish service may be deemed as having established satisfactory credit if the customer is medically indigent. In order for a customer or applicant to be considered medically indigent, the customer or applicant must make a demonstration that the

following criteria are met. Such demonstration must be made annually:

- (i) the customer's or applicant's household income must be at or below 150% of the poverty guidelines as certified by a governmental entity or government funded energy assistance program provider; and
- (ii) the customer or applicant or the spouse of the customer or applicant must have been certified by that person's physician as being unable to perform three or more activities of daily living as defined in 22 TAC §224.4 (<http://www.statutes.legis.state.tx.us/>), or the customer's or applicant's monthly out-of-pocket medical expenses must exceed 20% of the household's gross income. For the purposes of this subsection, the term "physician" shall mean any medical doctor, doctor of osteopathy, nurse practitioner, registered nurse, state-licensed social workers, state-licensed physical and occupational therapists, and an employee of an agency certified to provide home health services pursuant to 42 U.S.C. §1395 *et seq* (<http://www.statutes.legis.state.tx.us/>).

Customers/applicants unable to demonstrate satisfactory credit in accordance with §25.478 and 25.24 (<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>) of the PUCT Substantive Rules may be required to pay a deposit. NEC Co-op Energy may deny electric service to customers/applicants that refuse or are unable to comply with the requirements in §25.478 and 25.24 of the PUCT Substantive Rules (<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>).

A customer/applicant who previously has been a customer of Nueces Electric Cooperative, and whose service was terminated or disconnected for non-payment of their electric bill or theft of service (including fraud or misrepresentation) shall be required, before service is reinstated, to pay all amounts due to Nueces Electric Cooperative, or execute a deferred payment agreement, if eligible, along with any required deposit and fees, as appropriate, and reestablish credit.

Deposit:

If you are an existing NEC Co-op Energy customer and during the previous 12 months of service you have been late paying a bill more than once or had service terminated or disconnected for nonpayment, you may be required to pay an initial deposit. You may be required to pay this initial deposit within ten days after issuance of a written termination/disconnection notice requesting the deposit.

An additional deposit may be required from an existing customer if:

- The average of your actual billings for the last 12 months is at least twice the amount of the original average of the estimated annual billings; and
- A termination or disconnection notice has been issued or the account's electric service has been terminated or disconnected within the previous 12 months. The additional deposit shall be paid within ten days of the request for deposit. Service may be terminated or disconnected, whichever is applicable, if the additional deposit is not paid within this ten day period if a written termination or disconnection notice has been issued to the customer. A termination or disconnection notice may be combined with or issued concurrently with the written request for the additional deposit.

The amount required for all deposits shall not exceed an amount equivalent to the greater of either:

- One-fifth of your estimated annual billings for electric service; or

- The sum of the estimated billings for the next two months for electric service.

Estimated billings for an initial deposit from an applicant may be based upon a reasonable estimate of average usage for the customer class. Estimated annual billings for an initial or additional deposit from an existing customer shall be based upon actual historical usage, to the extent it is available.

After 12 months of service with NEC Co-op Energy, you may request that your required deposit be recalculated based upon your actual historical usage.

Customers who qualify for the Rate Reduction Program under §25.454 of the PUCT Substantive Rules (<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>) shall be eligible to pay any deposit that exceeds \$50 in two equal installments.

Interest on Deposits:

- You will accrue interest on your deposit, if held more than 30 days, at an annual rate established by the PUCT.
- Your deposit will be refunded when you have paid your bill for electric service for 12 consecutive months without having any late payments.
- When you close your account with NEC Co-op Energy, your membership fee, your deposit and accrued interest, less any outstanding balance owed for electric service, will be refunded to you. Upon request, payment of accrued interest will be made once a year in accordance with PUCT guidelines.

Billing and Payment:

- You will be billed monthly for your electric service.
- You may be issued a bill less frequently than monthly if you and NEC Co-op Energy agree to such an arrangement.
- Your bill may be sent electronically in lieu of written mailings if you and NEC Co-op Energy agree to such an arrangement.
- You will be charged a monthly service charge ((1) \$7.50 for each residential service, (2) \$2.50 for each security light, and (3) \$34.50 for each commercial service whose demand is 35kW or greater). You will not be charged a fee to receive a standard bill via U.S. Mail that complies with the bill content requirements of §25.479 of the PUCT Substantive Rules (<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>). You may be charged a fee or given a discount if you and NEC Co-op Energy agree to the delivery of a non-standard bill.
- Your monthly billing period is approximately 30 days.
- NEC Co-op Energy will charge a \$15 Nueces Electric Cooperative membership fee. This fee will be identified separately on your first electric bill and is refundable when you terminate all account services with Nueces Electric Cooperative. You will receive an annual allocation notice for patronage capital ("capital credits"). The payment/distribution of capital credits is at the discretion of the Nueces Electric Cooperative Board of Directors.
- Transmission and Distribution Service Provider (TDSP) standard per kilowatt hour and fixed monthly customer delivery service charges are included in the Electricity Facts Label pricing. There may be additional TDSP charges and fees for the establishment of new service, after-hours service, meter testing, service construction/line extensions. All TDSP charges will be passed through on your monthly bill. Bills will be issued within 30 calendar days after obtaining meter usage and other billing information from the TDSP, unless it becomes

necessary to validate the supplied usage information and billing information.

- AEP Delivery Charges:
<https://www.aeptexas.com/account/bills/rates/AEPTexasRatesTariffsTX.aspx>
- CenterPoint Delivery Charges:
<http://www.centerpointenergy.com/services/electricity/business/tariffs/historicalretailtariffs/>
- Oncor Delivery Charges:
<http://www.txuelectricdelivery.com/electricity/tariffs/distrates/default.aspx>
- Texas New Mexico Power (TNMP) Delivery Charges:
<http://www.tnmp.com/tx/rates.asp>
- Your bill will be due upon receipt and will be considered delinquent if it is not paid by the 16th day after issuance of the bill. Non-payment of your bill may result in the termination of this agreement, or disconnection of your electric service, whichever is applicable, after proper notice.
- Late payments or delinquent or past due balances may result in a penalty of 5% of the current month's past due amount. NEC Co-op Energy may charge up to a \$25 insufficient funds fee for each check or electronic funds transfer (including automatic bank draft) not processed due to insufficient funds, lack of available credit or other bank return. This fee will be identified separately on your electric bill.
- NEC Co-op Energy may charge a "Drop To Affiliated CR" Notice Fee of up to \$25 to all customers who are sent a "Drop To Affiliated CR" notice due to termination of a contract with NEC CO-OP ENERGY. This fee will be identified separately on your bill.
- NEC Co-op Energy may charge a Disconnection/Termination Notice Fee of up to \$25 to all customers who are sent such notice due to nonpayment of their electric bill. This fee will be identified separately on your bill. If disconnection/termination occurs due to nonpayment, NEC CO-OP ENERGY may charge a disconnection/termination fee of up to \$50 and another fee of up to \$50 may be charged for reconnection.
- If meter readings or other billing information is not received from the TDSP, NEC Co-op Energy reserves the right to bill you based on estimated usage-related information which, if used, will be identified as "estimated" on your bill.
- Upon request, NEC Co-op Energy will provide you with your most recent 12 month's usage history, free of charge. If you request usage history other than your most recent 12 month's usage history or request usage history more than once within a 12-month period, a charge of up to \$25 (\$50 for IDR meters) may apply. This fee will be shown separately on your bill.
- Upon request, NEC Co-op Energy will provide you with additional bill copies, duplicate bills, credit reference letters or summary billing, for which a \$2 charge for each service may be applied. This fee will be shown separately on your bill.
- You may be charged up to \$5 per contact when NEC Co-op Energy and/or its agents make a customer contact (call or letter) for actions related to collection of any unpaid amounts. This fee will be shown separately on your bill and is in addition to fees for notices and/or a legal collection letter. NEC Co-op Energy may contact you at anytime by telephone at any telephone number associated with your account, including wireless telephone numbers. NEC Co-op Energy may also contact you by sending text messages or e-mails, using any e-mail address you provide to us. Methods of contact may include using pre-recorded/artificial voice messages and/or use of an automatic dialing device.

- You may be charged up to \$25 per occurrence if NEC Co-op Energy or any of its agents send you a legal collection letter for any unpaid amounts. This fee will be shown separately on your bill. Non-payment of your bill beyond the due date may result in the termination of your electric service agreement or disconnection of your electric service, whichever is applicable, after proper notice. If you choose not to pay the amount due or make acceptable payment arrangements, NEC Co-op Energy will use debt collection agencies, small claims court and other legal remedies allowed by law to collect the amount you owe.
- You may be charged up to \$25 if NEC CO-OP ENERGY deems it necessary to submit your balance owed to a collection agency, in addition to any fees/charges from the collection agency. You agree to reimburse us the fees of any collection agency, which may be based on a percentage at a maximum of 50% of the debt, and all costs and expenses, including reasonable attorney's fees, we incur in such collection efforts.
- If a customer requests an investigation which results in findings NOT in favor of the customer, NEC Co-op Energy may charge you for the actual cost of the investigation.
- For termination of your agreement, you may incur fees and charges associated with these collection efforts. In addition to collection fees and charges, if your electric service is disconnected you may incur TDSP charges for disconnection and reconnection of your electric service.
- For payments made in a foreign currency, NEC CO-OP ENERGY will pass through to you any fees and charges it incurs in association with its (or its agent's) acceptance of foreign currencies.

NEC Co-op Energy offers **several convenient payment options** for which you may be eligible:

NEC Co-op Energy Average Billing:

Take the peaks and valleys out of your electricity bills with NEC Co-op Energy Average Billing. NEC Co-op Energy Average Billing sets your monthly bill based on your most recent 12-month average electricity usage, so you always know (within a few dollars) what to expect. While your account is on Average Billing, we will likely have to true-up your account every 12 months or sooner. Accounts that have a 35 kW demand or greater are excluded from this program.

NEC Co-op Energy Summary Billing:

If you have electric service at multiple locations but a single billing address, we will provide a summary where we roll all information onto a single bill.

NEC Co-op Energy Automatic Bank Draft:

NEC Co-op Energy Automatic Bank Draft makes sure your bill gets paid on time by directly debiting your bank account each month. You apply and we'll still send a monthly statement showing how much was paid. It is a very convenient way to pay.

NEC Co-op Energy Online and Telephone Payments:

You can choose to pay your bill by debit card, Master Card, VISA, Discover Card, or electronic check at no cost per transaction either online at www.neccoopenenergy.com available 24 hours a day 7 days a week or by telephone during normal business hours, 8am – 5pm, Monday through Friday by contacting us at toll free 855-632-7348. After hours payments can be made for FREE by calling 855-632-7348.

Special Payment Arrangements

Payment Extension- Full Payment By Next Due Date:

If you cannot pay on time, call NEC Co-op Energy right away. We may allow you to pay an outstanding bill after the due date, but before the

due date of the next bill. A special payment arrangement may include a 5% penalty for late payment. If you do not fulfill the terms of the special payment arrangement, your electric service agreement may be terminated or your electric service disconnected, after proper notice. NEC Co-op Energy may charge a payment extension fee of up to \$25 for all payment extensions after the first two (2) extensions in a 12 month period. This fee will be identified separately on your bill. Excessive special payment extensions/arrangements may result in the assessment of an additional deposit.

Deferred Payment Plan:

If you are unable to pay your bill you may qualify for a deferred payment plan, unless:

- You have received more than two termination/disconnection notices during the past 12 months; or
- You have taken service from NEC Co-op Energy for less than three months and you lack sufficient credit or a satisfactory payment history with your previous electric provider.

This plan may require you to make an initial percentage payment of the outstanding balance to initiate the agreement, with the remaining balance paid in equal installments. If you have received a disconnection notice and expressed an inability to pay, any deferred payment plan will include an initial payment not to exceed 25% of the delinquent balance and will allow the remaining balance to be paid in equal installments over at least three billing cycles.

A deferred payment plan may include a 5% penalty for late payment but does not include a finance charge. The Member or NEC Co-op Energy may initiate one renegotiation of the deferred payments plan if the member's economic or financial circumstances change substantially during the time of the deferred payment plan. By entering into a deferred payment plan, NEC Co-op Energy may put a switch-hold on your account. A switch-hold means you will not be able to buy electricity from other companies until this past due amount is paid. The switch-hold will be removed after final payment of this past due amount is processed. While a switch-hold applies, if you are disconnected for not paying or if the terms of the deferred payment plan are not fulfilled, your electric service agreement with NEC Co-op Energy may be terminated or your electric service disconnected, whichever is applicable, after proper notice. You will need to pay NEC Co-op Energy to get your electricity turned back on.

Bill Payment Assistance:

An energy assistance program is available to customers who have severe financial hardships and temporarily may be unable to pay their bills. The program is funded by contributions from NEC Co-op Energy customers. Please call us for fund availability and additional information.

Low-Income Rate:

Rate discounts may be available for low-income customers that have been qualified by the Low-Income Telephone & Electric Utilities (LITE UP) Texas Program. To enroll, or to ensure you will continue to receive the discount if you have moved to a new address, please call the program administrator at 1-866-4-LITE UP, or 1-866-454-8387 (toll free), or visit the PUCT's website at www.puc.state.tx.us.

Refusal of Service:

NEC Co-op Energy may refuse to provide service to a customer for one or more of the reasons specified in § 25.477 of the PUCT Substantive Rules (<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>). If service is denied, you will be notified of the reason.

Termination of Agreement:

NEC Co-op Energy has the right to terminate or fail to renew your Terms of Service Agreement, with proper notice, for any reason allowed by law, including if:

- You fail to pay a bill for electric service or to make deferred payment arrangements, if available, by the date of termination stated on the termination notice.
- You fail to pay on an account you have guaranteed.
- You fail to comply with the terms of a deferred payment agreement.
- You interfere with service of others or operate non-standard equipment.
- You attempt to bypass the meter or other equipment.
- You fail to pay a required deposit.
- Market Conditions Change.

Termination of your Terms of Service Agreement with NEC Co-op Energy does not excuse you from paying any outstanding amounts owed to NEC Co-op Energy.

Disconnection of Service – Without Notice:

NEC Co-op Energy or the local TDSP may, at any time, authorize disconnection of your electric service without prior notice for any of the following reasons:

- You are operating under a dangerous condition.
- Where service is connected without authority by a person who has not made application for service.
- Where service is reconnected without authority after disconnection for nonpayment.
- Where you attempt to bypass the meter or tamper with other equipment.
- Where there is evidence of theft of service.

Disconnection of your electric service from NEC Co-op Energy does not excuse you from paying any outstanding amounts owed to NEC Co-op Energy.

Disconnection of Service – With Notice:

NEC Co-op Energy has the right to authorize the disconnection of your electric service if:

- You fail to pay a bill owed to NEC Co-op Energy for electric service or to make deferred payment arrangements on or before the date of disconnection stated on a "Disconnect Notice" that will be sent to you after your bill becomes past due.
- You fail to pay a required deposit.
- You fail to comply with the terms of a deferred payment agreement or special payment arrangement.
- You interfere with the electric service of others or operate non-standard equipment and NEC Co-op Energy has made a reasonable attempt to contact you to inform you of your obligation to remedy the situation. Disconnection of your electric service from NEC Co-op Energy will not excuse you from paying any outstanding amounts owed to NEC Co-op Energy.

Dispute or Complaints:

Please contact us if you have specific comments, questions, complaints or bill issues. Our friendly, knowledgeable Customer Care Advocates are trained to research and resolve any customer inquiry you may have.

You may also contact the PUCT. Please refer to "Your Rights as a Customer" for more information.

Force Majeure:

NEC Co-op Energy will make commercially reasonable efforts to supply electricity but does not guarantee a continuous supply of electricity. Customer acknowledges that certain causes and events outside of NEC Co-op Energy control ("Force Majeure events") may result in interruptions in service and NEC Co-op Energy shall not be liable for any such interruptions. NEC Co-op Energy does not generate electricity nor does it transmit or distribute electricity. Therefore, Customer agrees that NEC Co-op Energy shall not be liable for damages caused by Force Majeure events, including acts of God, acts of any governmental authority, acts of terrorists or enemies of the state, accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, non-performance by the local distribution utility, or any cause beyond NEC Co-op Energy control.

LIMITATION OF LIABILITY:

LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES. NEITHER NEC CO-OP ENERGY NOR CUSTOMER SHALL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.

REPRESENTATIONS AND WARRANTIES:

THE ELECTRICITY SOLD UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARDS OF THE APPLICABLE LOCAL DISTRIBUTION UTILITY AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. NEC CO-OP ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Please Read

This Document Contains Important Information Regarding Your Rights as a Customer

This document summarizes Your Rights as a Customer, and is based on customer protection rules adopted by the Public Utility Commission of Texas (PUC). These rules apply to all retail electric providers (REPs) and the provider of last resort (POLR), unless otherwise noted. You may view the PUC's rules at www.puc.state.tx.us/rules/subrules/electric. Contact information is located at the end of this document.

Obtaining and Canceling Service

Unauthorized Change of Service Provider or "Slamming": A REP must obtain your verifiable authorization before switching your electric service. If you believe your electric service has been switched without your authorization, you should request that the REP provide you with a copy of your authorization and verification. The REP must submit this to you within 5 business days of your request. If you are not satisfied with this response, you may also file a complaint with the PUC at the address provided below. Upon receipt of a complaint filed with the PUC, the REP must respond within 21 days of receipt of the complaint, providing all documentation relied upon by the REP related to the authorization to switch, and any corrective actions taken to date, if any.

If a REP is serving your account without proper authorization, they must work with other market participants to take all actions necessary to return you to your original REP as quickly as possible. Your original REP has the right to bill you at the price disclosed in your terms of service from either: 1) the date you are returned to your original REP, or 2) any prior date chosen by your original REP for which that REP had the authorization to serve you. The REP that served you without proper authorization shall, within five days from the date that your service is returned to your original REP, refund all charges paid for the time period the original REP ultimately bills you. In addition, the REP that served you without your authorization is responsible for paying all charges associated with returning your service to your REP of choice. For periods that the unauthorized REP served you that are not billed to you by your original REP, the REP that served you without your authorization may bill you, but at a rate no higher than the rate you would have been charged by your original REP.

Right of Rescission: When requesting a switch in service providers, you may rescind your contract with the new REP without any penalty or fee within 3 federal business days after you receive your Terms of Service Agreement. For details on how to rescind your service, please see your Terms of Service Agreement. This right of rescission does not apply to applicants requesting a move-in, to customers whose REP transfers the customer to the POLR, or when a REP "drops" a customer to the affiliated REP for non-payment. If you do not rescind your request for service within this three federal business day period, you will be responsible for all service rendered to you at the enrollment address. If you do not rescind the contract within this 3 federal business day period, you retain the right to select another REP and may do so by contacting that REP, although you will be responsible for any charges incurred to switch your service. See your Terms of Service Agreement for details regarding canceling or terminating your contract.

Billing Issues

Unauthorized Charges or "Cramming": Before any new charges are included on your electric bill, your REP must inform you of the product or service, all associated charges, how these charges will appear on your electric bill and obtain your consent to accept the product or

service. Your REP must provide you with a toll-free telephone number and address that you may use to resolve any billing dispute or to ask questions about your bill. If you believe your electric bill includes unauthorized charges, you may contact your REP to dispute such charges and may file a complaint with the PUC. Your REP will not seek to terminate your electric service for nonpayment of an unauthorized charge or file an unfavorable credit report against you for disputed unpaid charges that are alleged to be unauthorized, unless the dispute is ultimately resolved against you. If the charges are determined to be unauthorized, your REP will cease charging you for the unauthorized service or product, remove the unauthorized charge from your bill, and refund or credit all money you paid for any unauthorized charge within 45 days. If charges are not refunded or credited within 3 billing cycles, interest shall be paid to you at an annual rate established by the PUC on the amount of any unauthorized charge until it is refunded/credited. You may request all billing records under the REP's control related to any unauthorized charges within 15 business days after the date the unauthorized charge is removed from your bill. Your REP will not re-bill you for any charges determined to be unauthorized.

Deferred Payment Plans and Other Payment Arrangements: If you cannot pay your bill, please call your REP immediately. Your REP may offer you a short-term payment arrangement that allows you to pay your bill after your due date, but before your next bill is due. In addition, you may qualify for a "deferred payment plan". A deferred payment plan allows a customer to pay an outstanding bill in installments beyond the due date of the next bill. The REP may require an initial payment to initiate the agreement. Your REP must offer you a deferred payment plan unless you have received more than 2 termination/disconnection notices during the past 12 months or you have been their customer for less than 3 months and do not have sufficient credit or payment history with another REP. All REPs must offer customers deferred payment plans for bills that are due during an extreme weather emergency and to customers who have been under-billed in the amount of \$50.00 or more. A deferred payment plan may include a 5% penalty for late payment; however, the POLR may not charge a late fee. REPs must also offer level or average payment plans to customers who are not currently delinquent in payment to the REP. If you do not fulfill the terms of the payment arrangement deferred payment plan, or the level or average payment plan, your REP may either terminate or disconnect your service as discussed further below. For additional details on these programs, please see your Terms of Service Agreement or contact your REP for more information.

Financial and Energy Assistance: If a customer contacts the REP and indicates an inability to pay, the REP must inform the customer of all applicable payment options and payment assistance programs that are offered by or available from the REP. An electric customer who receives food stamps, Medicaid, TANF or SSI from the TDHS or whose household income is not more than 125% of the federal poverty guidelines may qualify for energy assistance from the Texas Department of Housing and Community Affairs (TDHCA). See the "Discounts for Low Income Customers" section for more details about discounts available for qualified low-income customers.

Meter Reading and Testing: Please contact your REP for information regarding how to read your meter. You have the right to request a meter test. Your REP may make this request to your Local Distribution Company (LDC) on your behalf. If a test is performed more than once in a four-year period, and the meter is determined to be functioning properly, then you may be charged a fee for the additional meter test(s) at the rate approved for your LDC. The LDC or REP will advise you of

the test results, including the test date, testing person and, if applicable, the removal date of the meter.

Disconnection and Termination

Failure to Pay: For customers who do not pay their electric bill by the due date, their REP may either "terminate" their electric service agreement or request the LDC to "disconnect" the electric service, after the expiration of a required 10-day notice period.

Termination of Service: If your payment for electric service is not received by the due date on your bill, your service agreement may be terminated. If you do not obtain electric service from another REP, your electric account will be "dropped" to the Affiliated REP (AREP) in your area. Your REP will mail you a separate Termination Notice no earlier than the first day after the date your bill is due. The termination date will be no less than 10 days from the date the notice is issued. The final date your account balance is due may not fall on a holiday, weekend day, or any other day that the REP's personnel are not available to take payments. If payment is received, or satisfactory payment arrangements are made prior to the date of termination on the Termination Notice, your REP will continue to serve you under the Terms of Service Agreement in effect prior to issuance of the Termination Notice.

Your REP cannot terminate your service for any of the following reasons:

- failure to pay for electric service by a previous occupant of the premise if that occupant is not of the same household;
- failure to pay any charge unrelated to electric service;
- failure to pay a different type or class of electric service not included on the account's bill when service was initiated;
- failure to pay under-billed charges that occurred for more than 6 months (except theft of service);
- failure to pay any disputed charges until your REP or the PUC determines the accuracy of the charges and you have been notified of this determination; or
- failure to pay an estimated bill unless the estimated bill is part of a pre-approved meter-reading program or in the event the LDC is unable to read the meter due to circumstances beyond its control.

Additionally, your REP may not terminate your service if it receives notification by the final due date stated on your termination notice that an energy assistance provider will be forwarding sufficient payment on your account, and you have paid or made arrangements to pay any outstanding debt not covered by the energy assistance provider.

Disconnection of Service: The PUC has provided that under certain dangerous circumstances (such as unsafe electric line situations) any REP, including the Provider of Last Resort (POLR), may authorize your LDC to disconnect your electric service without prior notice to you. Additionally, your REP may be allowed to seek to have your electric service disconnected for any of the reasons listed below:

- failure to pay a bill owed to the REP or to make a deferred payment arrangement by the date of disconnection;
- failure to comply with the terms of a deferred payment arrangement or other payment agreement made with the REP;
- using service in a manner that interferes with the service of others or the operation of nonstandard equipment;
- failure to pay a deposit required by the REP; or

failure of a guarantor to pay the amount guaranteed when the REP has a written agreement, signed by the guarantor, which allows for disconnection of the guarantor's service.

Prior to disconnecting your service, your REP must provide you with a written Disconnect Notice. This notice must be mailed to you separately (or hand-delivered) no earlier than the first day after the date your bill is due. The disconnection date must be 10 days from the date the notice is issued and may not fall on a holiday or weekend (or the day preceding) unless the REP's personnel are available to take payments and service can be reconnected.

Your REP may not seek to have your electric service disconnected by your LDC for any of the reasons listed under the Termination of Service section of this document.

Additionally, your REP may not disconnect your electric service:

- * if the REP receives notification by the final due date stated on the disconnection notice that an energy assistance provider will be forwarding sufficient payment on your account, and you have paid or made payment arrangements to pay any outstanding debt not covered by the energy assistance provider's payment.
- * for non-payment during an extreme weather emergency, and upon request, the REP must offer you a deferred payment plan for bills due during the emergency; or
- * for non-payment if you inform the REP, prior to the disconnection date stated on the notice, that you or another resident on the premises has a critical medical need for electric service. However, to obtain this exemption, you must enter into a deferred payment plan with your REP and have the ill-person's attending physician contact the REP and submit a written statement attesting to the necessity of electric service to support life. This exemption from disconnection due to illness or disability shall be in effect for 63 days and may be applied for again after the 63 days has expired and the deferred payment plan has been fulfilled.

Availability Of Provider of Last Resort: If you are notified that you are subject to termination or disconnection of your electric service, you may seek to obtain services from another REP or the POLR. You have the option to request service from the POLR, which offers a standard retail service package. Information about the POLR and other REPs can be obtained from the PUC or the POLR.

Restoration of Service: If your service has been disconnected by your REP for non-payment, your REP or the POLR will, upon satisfactory correction of the reasons for the disconnection, notify your LDC to reconnect your service. If your service was disconnected due to a dangerous situation, your service will be reconnected once you demonstrate to your REP or the POLR that you have corrected the dangerous situation.

Disputes With Your Provider

Complaint Resolution: Please contact your REP if you have specific comments, questions or complaints. Upon receipt of a complaint, your REP must investigate and notify you of the results within 21 days. If you are dissatisfied with the results of the investigation, you may request a supervisory review, if available. Your REP must advise you of the results of the supervisory review within 10 business days of your request. If you are dissatisfied with the results of the investigation or supervisory review, you may file a complaint with the PUC or the Office of the Attorney General, Consumer Protection Division. Please include your name and account number, as well as an explanation of the facts

and the resolution you desire in your complaint. For a complaint involving a disputed bill, your REP may not initiate collection activities or termination or disconnection activities or report the delinquency to a consumer reporting agency with respect to the disputed portion of the bill. However, after appropriate notice, your REP may terminate or disconnect your service for non-payment of any undisputed portion of the bill.

Reporting Outages: Your REP is responsible for providing you with the telephone number you may use to report outages or other emergencies.

Other Protections

Do Not Call List: The PUC maintains a "Do Not Call List" of customers who do not want to receive telemarketing calls for electric service. Call toll-free 1-866-TXNOCAL(L) or 1-866-896-6225, or visit the PUC website at www.puc.state.tx.us to subscribe to the Do Not Call List.

Language Availability: You may request to receive information from your REP in Spanish, or any language in which you were initially solicited. This includes the Terms of Service Agreement, Electricity Facts Label, bills and bill notices, information on new electric services, discount programs, promotions, and access to customer assistance. You will receive this Your Rights as a Customer document and termination and disconnection notices in English and Spanish, or English and your designated language, if you have designated a language other than Spanish and were originally solicited in that language.

Privacy Rights: Except as described below, REPs may not release your proprietary customer information to any other person without your consent. This includes your name, address, account number, type or classification of service, historical electricity usage, expected patterns of use, types of facilities used in providing service, individual contract terms and conditions, price, current charges or billing records. This prohibition does not apply to the release of your information under certain circumstances as required by law, including release to the PUC, an agent of your REP, consumer reporting agencies, law enforcement agencies or your LDC. A REP may also share this information with a third party for the purpose of marketing such party's products or services to you after you are provided an opportunity to opt-out of the release of your information. In addition, this prohibition does not apply to the release of prior historical usage upon request and authorization of a current customer or applicant of a premise. Industrial and commercial customers may contact their REP or LDC and designate that their prior historical usage is competitively sensitive in order to prevent the release of this information.

Special Services: Your REP may offer special services for hearing-impaired customers and programs for customers with physical disabilities. If you have a physical disability or require special assistance regarding your electric account, please contact your REP to inquire about the process to become qualified for any of these special services.

Critical Care: If an interruption or suspension of electric service will create a dangerous or life-threatening condition, you may qualify as a "critical care residential customer." Upon your request, your REP will provide to you a standardized Critical Care Eligibility Determination Form, which you must complete and return to your REP. The critical care request is evaluated and approved by the LDC; however, a customer may appeal the eligibility determination to the LDC. If not satisfied with the results of this appeal, the customer may file a complaint with the PUC. If approved, the designation is valid for one year, and your REP will send you a renewal application prior to the

expiration of your designation. Qualification as a critical care residential customer does not relieve the customer of the obligation to pay the REP or the LDC for services rendered. However, a critical care residential customer who needs payment assistance is encouraged to contact their REP or LDC immediately regarding possible deferred payment options or other assistance that may be offered by the REP or LDC.

Outage Reporting: In the event of an outage in your area please call your Local Energy Delivery Company:

- | | |
|---|--|
| 1. Nueces Electric Cooperative
(800) 632-9288 | 2. AEP (WTU & CP&L)
(866) 223-8508 |
| 3. Oncor (TXU)
(888) 313-4747 | 4. TNMP (Texas New Mexico Power)
(888)-866-7456 |
| 5. CenterPoint (HL&P)
(800) 332-7143 or (713) 207-2222 | |

Important Contact Information:

NEC Co-op Energy	NEC Co-op Energy Customer Service	Texas Public Utility Commission
PO Box 103000	Direct 1-877-NEC-POWER	Customer Protection Division
Victoria, Texas 77903	Fax (361)579-6875 Or 361-387-2919	P.O. Box 13326
www.neccoopenergy.com	{Hearing and Speech-Impaired}	Austin, TX 78711-3326
help@neccoopenergy.com	Toll-Free 1-800 - RELAY TX (735-2989)	Direct (512) 936-7120
Business Hours: 8 am-5 pm, M-F, CDT		Toll-Free 1-888-782-8477
		Fax (512) 936-7003
		Web Address www.puc.state.tx.us
		Email Address customer@puc.state.tx.us