



Effective June, 2014

Gas Customer Choice Contract
Kratos Gas & Power
Multi-Rate Terms and Conditions

Please review the terms and conditions of this offer below. These terms and conditions, as well as any information contained in the confirmation letter provided herewith, constitute a contract between Kratos Gas & Power (Kratos) and the customer.

By receiving service from Kratos, the customer (account holder or legally authorized person) agrees to be bound by the terms and conditions as set forth herein, effective June, 2014.

You (the customer) agrees to be bound by the terms and conditions stated herein. You have 30 days after the date you enrolled into this contract to cancel without penalty.

Definitions:

- Residential Customer: means a purchaser (account holder) of natural gas that is supplied or distributed by a utility for residential purposes.
- Small Commercial Customer: means a non-residential customer (business name) with aggregate usage of 500 Mcf of natural gas or less per year.
- Legally Authorized Person: means a person that has legal documentation or legal authority to enroll a Residential or Commercial customer into a binding contract. A legally authorized person includes, but is not limited to, an individual with power of attorney or a corporate agent authorized to enter into contracts on a corporation's behalf.
- Kratos Gas & Power (Kratos): an alternative gas supplier (AGS) licensed by the MPSC. Kratos buys gas from energy producers and marketers and in turn sells that gas to consumers.
- (Utility Name): the utility regulated by the MPSC. (Utility Name) distributes natural gas on behalf of Kratos and other marketers, maintains the gas pipeline system, and responds to gas leaks and other emergencies.
- MPSC: Michigan Public Service Commission.
- T&Cs: Kratos' Terms and Conditions of Service as contained in this statement.

I. YOUR (Utility Name) BILL

By agreeing to have Kratos supply natural gas to you, the format of your (Utility Name) bill will not change, except that Kratos will be identified on your statement. The terms and conditions of (Utility Name)'s normal billing practices will not change. You do authorize Kratos to obtain your billing payment and usage history from (Utility Name). If you have questions about understanding your bill or payment options, please contact (Utility Name) directly at (Utility 800



Number) or visit their website at (Utility Website). Should you have any questions about the rate you are paying for natural gas, please contact Kratos.

II. YOUR SERVICE

II-1. Price Plans

- A. **Variable Plans.** By agreeing to a variable rate plan, you will be charged for gas at variable market prices, which may or may not be lower than what you would be charged directly by (Utility Name). Under this plan, gas service is billed at a price per MCF or CCF that may change based on market conditions. The price per MCF or CCF used to calculate your gas charge is Kratos' price in effect on the first day of your meter reading cycle. For example, if the market rate for natural gas settles at \$5.00 per MCF and the maximum adder is \$1.30 per MCF, your price would be \$6.30 per MCF. Prices will be converted to CCF for DTE customers, meaning the \$6.30 per MCF would be converted to \$0.63 per CCF. This price does not include applicable taxes and/or utility charges, which will be billed by the utility. You are responsible for all charges assessed by the utility for gas transportation and all other applicable utility charges, which are not included in Kratos' price. Your gas service will be billed under this plan on a month-to-month basis cancellable at any time without penalty.
- B. **Fixed Plan.** Under a fixed price plan, gas service is billed at a fixed price per MCF or CCF for the term of the plan. Although Kratos' currently available fixed prices may change at any time, the price used to calculate your Gas Charge for the full length of the plan will be Kratos' price in effect at the time you select the plan. Your fixed price will remain in effect for all service periods with a beginning meter read date during the term of your plan as defined in your confirmation letter. The price per MCF or CCF, for customers on a fixed plan will not change for the length of the plan.

When you select a fixed plan, you commit to remain on the plan for the specified period of time, even if you move within the (Utility Name) service territory. Small Commercial customers may request a new fixed price plan without incurring an early termination charge beginning 15 days prior to their current plan's expiration date. If you take no action at the expiration of your contract, it will automatically continue on Kratos' month to month variable price plan cancellable at any time. Your price per MCF or CCF will be the current variable price in effect for that price plan. If you request and qualify for a new fixed plan you must re-enroll into a new contract by agreeing to the specific terms of the new plan. The new fixed price may differ from your previous fixed price.

If you are served under a fixed plan and any of the following three circumstances occurs after the 30 day unconditional cancellation period but more than 45 days prior to the expiration of your fixed price plan, you will be deemed to have breached your fixed

price plan contract. In each circumstance, you will be assessed an Early Termination Fee as defined in your confirmation letter:

- If you switch to another price plan or change your natural gas provider at your current premises. However, Small Commercial customers may request a new fixed price plan without incurring an early termination charge beginning 15 days prior to their current plan's expiration date.
- If your service is disconnected for nonpayment and is not reconnected before your account closes. If your account becomes inactive and your service is subsequently reconnected, Kratos reserves the right to limit availability of price plans.
- If you voluntarily disconnect service during the term of your plan, including moving to a different premises.

The maximum early termination fee for residential contracts of one year or less shall not exceed \$50 and \$100 for contracts of longer than one year.

The maximum early termination fee for small commercial contracts of one year or less shall not exceed \$150 and \$250 for contracts of longer than one year.

Winter Capped Price Program. Kratos is currently offering customers a variable price plan with price capping in the winter (November through March billing periods). By agreeing to allow Kratos to supply your natural gas needs under our Winter Capped Price Program, you will be charged for gas at a fixed price of \$4.15 per MCF or \$0.415 per CCF for your first month of service and then a month-to-month variable market price as described above. For the billing periods of November 2014 through March 2015, the customer will continue to receive a monthly variable price, but such price shall not exceed \$5.55 per MCF or \$.555 per CCF (Winter Price Capping). This program will end March 31, 2015. Once the Winter Capped Price Program ends, you will start receiving the month-to-month variable market prices described above cancellable at any time without penalty. This price does not include applicable taxes and/or utility charges, which will be billed by the utility. You are responsible for all charges assessed by the utility for gas transportation and all other applicable utility charges, which are not included in Kratos' price.

Additional information on price plans is available on our website, www.kratosgp.com, or you may call a Customer Care Representative.

III-1. Term

Under our Variable Price Plan, Kratos will supply you with natural gas on month-to-month basis for no specific period commencing on the first month you receive services from Kratos as

confirmed by (Utility Name). Under our Winter Capped Price Program, Kratos will supply you natural gas for a five-month term, starting November 1, 2014 ending March 2015 at a monthly variable price not to exceed \$5.55/MCF or \$0.555/CCF. In either case, Kratos will supply the commodity portion of your natural gas to the utility. Due to the volatility of the gas market, Kratos reserves the right to discontinue this contract any time before enrollment. If you are currently a Kratos customer, Kratos reserves the right to not accept or rescind this new enrollment or to require you to pay the applicable termination fee for your existing program to be eligible for this program. If you are a new customer then this contract may be rescinded by you without a cancellation fee by contacting Kratos in writing or by telephone within 30 days of enrollment in this program ("Cancellation Period"). If you are an existing Kratos customer and in the event you decide to rescind enrollment in this contract during the Cancellation Period, you will be returned to your previous contract with Kratos without penalty under this contract. You understand that if you switch your service to another AGS or back to the utility more than once in a 12-month period, the utility may charge a \$10 switching fee. Your service will automatically terminate if you are not located within a Kratos service area, if you move outside of the Kratos service area, or if Kratos returns you to (Utility Name) for failure to meet any of the terms contained herein. Under a variable rate contract, you will have the right to terminate service, without penalty in the event you relocate.

III-2. Contracts

When you select service with Kratos, you are agreeing to receive your natural gas supply from Kratos per contract terms (T&C and confirmation letter) and to keep your account in good standing. See section III-1, "Term" for more information.

III-3. Account and Billing Information

It is your responsibility to provide (Utility Name) with accurate account information, including a telephone number to contact you and an accurate address to mail your gas bills. Also, if your account information changes at any time, it is your responsibility to notify (Utility Name) of the changes. Kratos is not responsible for any late charges that are applied to an account when a customer does not receive timely bills due to incorrect account information provided by the customer. Kratos will not release your personal information without your affirmative written consent.

III-4. Changes to Terms and Conditions

We reserve the right to change our T&Cs at any time with written notice and acceptance by you.



III-5. Extraordinary Events

If an event occurs that delays or makes it impossible for Kratos to perform, such as an act of God, extraordinary weather occurrence, a facility outage with (Utility Name) or interstate pipeline systems, a (Utility Name) failure to perform, war, civil disturbance, or national emergency, our performance under these T&Cs shall be excused for the duration of such event. Under such conditions, Kratos may elect to discontinue customer service immediately, without notice.

III-6. Limitation of Liability

Kratos is not responsible for any losses or damages resulting from any actions/policies associated with (Utility Name) or the interstate pipeline systems, including interruption of service, termination of service, defective service, or operation and maintenance of (Utility Name)'s system or the interstate pipeline systems. Kratos is not liable for consequential, exemplary or punitive damages.

III-7. Call Monitoring Policy

Telephone calls to our Customer Care Center may be monitored and/or recorded for quality assurance purposes. All calls for new service are recorded in compliance with MPSC guidelines.

IV. CONTACT INFORMATION

If you have any questions or inquiries regarding your gas service, please contact (Utility Name) or Kratos at the number below. Kratos will use good faith efforts to resolve any customer disputes.

Kratos Gas & Power
1-800-296-2203
www.kratosgp.com

If your questions are not resolved after you have called Kratos Gas and Power, customers may call the Michigan Public Service Commission (MPSC) toll free at 1-800-292-9555, from 8:30 a.m. to 4:30 p.m. weekdays, or visit the MPSC website at www.michigan.gov/mpsc or as otherwise specified by the Commission. Note: Whenever the Michigan Public Service Commission enacts new rules prior to the publication of revised Kratos Terms and Conditions, those rules will supersede.



Residential: I acknowledge that I am the account holder or Legally Authorized Person to execute a contract on behalf of the account holder. I understand that by signing this contract, I am switching the gas Supplier for this account to Kratos Gas & Power. I understand that gas purchased for this account by Kratos Gas & Power will be delivered through (Utility Name)'s delivery system. The account holder, or the person who signed this contract on behalf of the account holder, has 30 days after today to cancel this contract for any reason through written or verbal notification to Kratos Gas & Power.

Small Commercial: I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to Kratos Gas & Power. I understand that gas purchased for this commercial account by Kratos Gas & Power will be delivered through (Utility Name)'s delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 30-days after today to cancel this contract for any reason through written or verbal notification to Kratos Gas & Power.

I understand that my selection of Kratos Gas & Power via telephone (as evidenced by independent third-party verification with an audio recording of the entire verification call) constitutes a "signature" for purposes of this contract.