

Customer Referral Program Agreement

Residential and Small Commercial Customer Class Full Requirements

for

{Insert EDC Here}

CUSTOMER REFERRAL PROGRAM AGREEMENT

THIS CUSTOMER REFERRAL PROGRAM AGREEMENT (“Agreement”) is made and entered into as of {Insert Date} (“Effective Date”) by and between **{Insert EDC Name Here }** (“Company”), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and _____ (“Customer Referral Supplier”) a corporation organized and existing under the laws of [State of or Commonwealth of.....]. The Company and the Customer Referral Supplier hereinafter are sometimes referred to collectively as the “Parties,” or individually as a “Party.”

WITNESSETH:

WHEREAS, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

WHEREAS, the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) has found that it would serve the public interest for the Company to establish a Customer Referral Program to refer customers that contact the Company to licensed Electric Generation Suppliers (“EGSs”), and the PaPUC has approved the Program; and

WHEREAS, the undersigned EGS desires to participate in the Customer Referral Program.

WHEREAS, the Customer Referral Supplier is licensed by the PaPUC to offer and supply competitive retail electric services in Pennsylvania, and is a registered supplier under the Company’s Supplier Coordination Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

Article 1 Definitions

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

- 1.1 **Agreement** – This Agreement for an EGS to become a Customer Referral Supplier and to participate in the Company’s Customer Referral Program together with attached Appendices.
- 1.2 **Applicable Legal Authorities** - Those federal and Pennsylvania statutes and administrative rules, regulations and Orders that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.
- 1.3 **Business Day** – Any day on which the Company’s corporate offices are open for business.
- 1.4 **Company** – Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company or West Penn Power Company individually, or in combination as the “Companies.”
- 1.5 **Consolidated EDC Billing** - Shall have the meaning set forth in the Company’s Supplier Tariff as filed with the PaPUC and available on the Company’s website.
- 1.6 **Customer** – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff that are eligible to receive competitive electricity supply from an EGS or Default Service in accordance with the Applicable Legal Authorities.
- 1.7 **Customer Referral Customer(s)** – Customers who are provided competitive retail electric service as part of the Customer Referral Program in accordance with the terms of this Agreement.
- 1.8 **Customer Referral Program or “CRP”** – The Customer Referral Program as defined in this agreement
- 1.9 **Customer Referral Program Implementation Team** – customer service representatives trained in Pennsylvania customer choice issues and processes and the Customer Referral Program, employed by the Company directly or as independent contractors to implement the Customer Referral Program on behalf of the Company.

- 1.10 **Customer Referral 12 Month Fixed Price** – The 12 month fixed price set forth each quarter in the Confirmation Sheet, which shall be in the form provided in Appendix A. The fixed price includes all EGS charges for Basic Electricity Supply including generation charges, market based transmission charges, and all Independent System Operator charges and gross receipt taxes. The fixed price shall be billed to an enrolled customer for 12 consecutive billing periods.
- 1.11 **Customer Referral Supplier** – An entity that: (i) has accepted the obligations and associated rights to provide competitive retail electric service under the terms of this Agreement to retail customers in accordance with the Applicable Legal Authorities; (ii) has entered into this Agreement with the Company; (iii) is a full member of PJM and registered with PJM as a Load Serving Entity; (iv) is licensed by the PaPUC to offer and supply electric generation services in Pennsylvania, and (v) is in compliance with the terms and conditions of the Company’s Supplier Tariff.
- 1.12 **Customer Referral Supplier Representative** – Any officer, director, employee, consultant, contractor, or other agent or representative of the Customer Referral Supplier having actual or apparent authority to act on behalf of the Customer Referral Supplier in connection with the Customer Referral Supplier’s performance under this Agreement. To the extent the Customer Referral Supplier is a division or group of a Company, the term Customer Referral Supplier Representative does not include any person in that Company who is not part of the Customer Referral Supplier’s division or group.
- 1.13 **Default Service** – Shall mean Default Service as defined in 52 Pa. Code § 54.182.
- 1.14 **Electric Distribution Company or “EDC”** – A public utility providing facilities for the transmission and distribution of electricity to retail Customers in Pennsylvania subject to the jurisdiction of the Commission.
- 1.15 **Electric Generation Supplier or “EGS”** – A person or entity that is duly certified by the Commission to offer and provide competitive retail electric service to retail customers located in the Commonwealth of Pennsylvania.
- 1.16 **Electronic Data Interchange or “EDI”** – The standardized format for the electronic transfer of data between different entities.
- 1.17 **FERC** – The Federal Energy Regulatory Commission.
- 1.18 **Price-to-Compare** – Shall mean “price-to-compare” as defined in 52 Pa. Code § 54.182.
- 1.19 **Participating EGSs** – All EGSs that have executed this Agreement.
- 1.20 **PJM** – PJM Interconnection, LLC.
- 1.21 **Rate Schedule(s)** – The Customer rate schedule(s) in the electric service tariff of the Company on file with the Commission as they may be modified from time to time.
- 1.22 **Rate Ready** – Shall have the meaning set forth in the Company’ Supplier Tariff as filed with the PaPUC and available on the Company’s website.

- 1.23 **Residential Customer** – Customers on: Rate Schedules RS and GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service. (Metropolitan Edison Company and Pennsylvania Electric Company); Rate Schedules RS and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services (Pennsylvania Power Company); or Domestic Service Schedule 10 (West Penn Power Company), each as defined in the electric service tariff of the Company on file with the Commission as they may be modified from time to time.
- 1.24 **Seller** – means the Customer Referral Supplier.
- 1.25 **Service Territory** – The service territory in which the Company is authorized to furnish retail electric service in Pennsylvania.
- 1.26 **Small Commercial Customer** - Customer on Rate Schedule GS-Small (Metropolitan Edison Company and Pennsylvania Electric Company); General Service - Small (Pennsylvania Power Company); or General Service Schedule 20 (West Penn Power Company) as defined in each respective Company’s electric service tariff on file with the Commission as such may be modified from time to time.
- 1.27 **Supplier Tariff** –The PaPUC-approved Electric Generation Supplier Tariff for the Company.

Article 2 General Terms and Conditions

2.1 Term

This Agreement shall be effective upon execution by the Parties and with the approval of the PaPUC and shall terminate on May 31, 2021. This Agreement may be terminated prior to the end of each such term by the existence of any of the following conditions: (1) if the Customer Referral Program is terminated by governmental action; (2) if the Customer Referral Supplier is no longer a certified EGS; (3) if either Party is in material breach of this Agreement or the Supplier Tariff; or (4) pursuant to Article 3 of this Agreement.

2.2 Customer Referral Supplier Participation and Suspension of Participation

Customer Referral Suppliers will be able to begin participation in the Program effective on the following dates each year: June 1, September 1, December 1 or March 1. In order to participate, a Customer Referral Supplier must provide initial notice of its intent to participate in the Customer Referral Program at least sixty days prior to its desired effective date. A Customer Referral Supplier that has previously participated in the Company's Customer Referral Program must provide notice of its intent to participate at least thirty days prior to its desired effective date. A Customer Referral Supplier may suspend its participation in the Customer Referral Program effective on those same four dates (June 1, September 1, December 1 or March 1) and must provide notice of its intent to suspend participation at least thirty days prior to its desired effective suspension date. Notice of participation or suspension of participation shall be provided in the Form of Appendix C attached hereto.

2.3 Supplier Tariff

Except as otherwise stated herein, all the terms and conditions of the Company's Supplier Tariff, as filed with the PaPUC and available on the Company's website, and as modified from time to time with the approval of the Commission, are incorporated herein by reference, are in full force and effect and are binding upon the Parties for the duration of this Agreement.

2.4 CRP Charges – Calculation

Each Company will incur the following types of cost related to the Customer Referral Program: (1) capital and start up costs, such as costs associated with programming, development of phone scripts, administration of developing third party

vendor arrangements, etc. (the “Initial CRP Costs”); and (2) ongoing monthly costs, such as third party contractor charges and continuing internal administrative costs (the “Ongoing CRP Costs”; collectively, “CRP Costs”). The Companies will update their estimate of the CRP Costs prior to soliciting EGS participation in the CRP.

Each Company will track and record its CRP Costs separately, and each Company will recover CRP Costs from Customer Referral Suppliers by assessing a standard, per-customer charge (the “CRP Charge”), not to exceed \$30. The CRP Charge is subject to change by order of the Pa PUC or a Court of competent jurisdiction, and such change might be retroactive. A Customer Referral Supplier will be assessed a CRP Charge for every CRP customer enrollment that has been completed for that Customer Referral Supplier. The CRP Charge will be calculated on an annual basis, with a new CRP Charge becoming effective June 1 of each year.

The CRP Charge will be calculated by dividing CRP Costs by a projected number of customer enrollments in the CRP during the applicable year. Three cost components will be included in the CRP calculation: (1) Initial CRP Costs; (2) Ongoing CRP Costs; and (3) a reconciliation component for each year beyond the first year of the CRP (the “Reconciliation Component”). The Initial CRP Costs will be recovered utilizing a 12-month amortization period, and will include a return at the legal rate of interest.

In the event that the actual CRP Costs result in a cost per customer that exceeds the CRP Charge, the Companies will recover the resulting difference between their actual costs and the amount recovered by their CRP Charge through a non-bypassable surcharge applied to the bills of all Customers eligible to participate in the CRP.

2.5 CRP Charges

(a) Consistent with the calculation methodology in Section 2.4, the Companies will provide updates of the CRP Charge to the Customer Referral Suppliers annually and will communicate the annual CRP Charge to Customer Referral Suppliers through a modification to Appendix B attached hereto, by May 1 of each year.

(b) The Companies shall charge any Customer Referral Supplier in confirmed violation of the CRP Agreement an hourly fee, consistent with the Technical Support and Assistance Charge allowed for under the Supplier Tariff, for time spent researching, manually verifying and confirming a Customer Referral Customer's account. The Companies will notify the affected Customer Referral Supplier and such Supplier will have ten days to submit a formal objection to the Companies' initial determination. The formal objection shall be processed consistent with Section 18 of the Companies' Supplier Coordination Tariffs.

(c) The Companies shall charge any Customer Referral Supplier in confirmed violation of the CRP Agreement all legal fees resulting from customer complaints from Customer Referral Customers caused by the action or inaction of the Customer Referral Supplier.

2.6 Company Obligations and Authority

The Company shall:

(a) Record the Customer's intent to participate and then transmit the following to each participating EGS via a secure website post or secure EDI transmittal: (1) the Customer's intent to participate; (2) the Company's twenty-digit customer identification

number; and (3) the Customer's billing address. This transmission will provide the EGS with a valid referral for processing an enrollment.

(b) Bill the Customer Referral Customers on behalf of the Customer Referral Supplier under Rate Ready Consolidated EDC Billing utilizing the Customer Referral 12-Month Fixed Price in effect when the Customer enrolls, as set forth in Appendix A (the "Confirmation Sheet");

(c) Assign to the Customer Referral Supplier all eligible Customer accounts enrolled by the Customer Referral Supplier, with the requisite Customer consent, consistent with the Supplier Tariff as filed with the PaPUC and available on the Company's website;

(d) Inform Residential and Small Commercial Default Service Customers that contact the Company regarding a high bill, a new service request, or electric choice inquiry, that they have the ability to purchase power from an EGS and offering such Customers the opportunity to have their call transferred to the Company's Customer Referral Program Implementation Team;

(e) Have the Customer Referral Program Implementation Team inform the customer that the Company can refer the customer to an EGS with a 12-month fixed price that is below the EDC's current Price-To-Compare default service rate.

(f) The Company will give the Customer an opportunity, at the Customer's election, to choose an EGS or to be referred to an EGS on a rotating basis. The rotation process is designed to provide each EGS participating in the Customer Referral Program generally equivalent numbers of rotation-assigned customers, by service type. EGSs

must serve all such Residential or Small Commercial Customers referred through a Customer Referral Program.

(g) Secure PaPUC approval to implement the Customer Referral Program for the period June 1, 2017 to May 31, 2021.

2.7 Obligations of the Customer Referral Supplier

The Customer Referral Supplier shall:

(a) Provide Competitive Energy Supply (as defined in the Supplier Tariff) to Customer Referral Customers, consistent with the terms and conditions of service set forth in this Agreement (“Customer Referral Supply”), and PaPUC Orders regarding the Customer Referral Program;

(b) Meet all of the obligations and requirements of a PaPUC-licensed EGS under the then current Supplier Tariff;

(c) Cooperate, at its own expense, with the Company in any regulatory compliance efforts that may be required to maintain the ongoing validity and enforceability of the terms of this Agreement, and fulfill any regulatory reporting requirement associated with the provision of the Customer Referral Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;

(d) Use EDC Rate Ready Consolidated Billing to bill Customer Referral Customers the Customer Referral 12-Month Fixed Price in effect when the Customer enrolled in the Customer Referral Program as set forth in the applicable Confirmation Sheet for 12 consecutive billing periods, unless the contract is terminated by the customer;

(e) After receiving a valid referral for enrollment, issue a standard disclosure statement, consistent with the Terms and Conditions of the Customer Referral Program and welcome kit to the customer at least 3 days prior to transmitting an EDI 814 enrollment transaction to the EDC;

(f) Transmit an EDI 814 enrollment transaction to the EDC consistent with Commission regulations and comply with the switching rules in the Company's Supplier Tariff;

(g) Pay bills rendered from the EDC relating to the CRP (including the CRP Charge) within 30 days; and

(h) Comply with Commission regulations regarding notice of a price change and changes in the terms and conditions of service following the 12-month initial contract period.

2.8 No Guarantee of Customer Referral Customers

The Company makes no guarantee or representation as to the number of Residential or Small Commercial Customers, if any, that will become Customer Referral Customers or will become Customer Referral Customers of any particular EGS during the term of this Agreement.

2.9 Fees, Penalties, and Exceptions

Customer Referral Customers will be billed the Customer Referral 12-Month Fixed Price, as applicable, set forth in the applicable Confirmation Sheet under and subject to the terms and conditions set forth herein and in applicable PaPUC Orders. Customer Referral Suppliers will be paid by the Company pursuant to the Customer

Referral 12-Month Fixed Price, as applicable, set forth in the applicable Confirmation Sheet and the terms and conditions of the Supplier Tariff. Customer Referral Suppliers will not impose any penalties or fees on Customer Referral Customers.

2.10 Guaranteed Power Supply to Customer Referral Customers for One Year

All Customer Referral Customers enrolled in the Customer Referral Program shall receive power at the Customer Referral 12-Month Fixed Price, as applicable, as set forth in the applicable Confirmation Sheet from the Customer Referral Customer's initial meter read date during the contract terms set forth in Appendix A and ending with the Customer Referral Customer's last meter read date during the 12 month contract term such that the Customer will receive 12 consecutive bills calculated using the Customer Referral 12-Month Fixed Price applicable to the Customer at the time of enrollment.

2.11 Enrollment Procedures and Policies

Customer Referral Customers can enroll or switch to an EGS, including an alternative offer from the Customer Referral Supplier, or return to Default Service at any time during the 12 month period that the 12-Month Fixed Price is billed without restriction or penalty.

2.12 Service Inquiries and Notices to Customer Referral Customers

Customer Referral Customers may direct inquiries regarding this Agreement and any power supply or billing questions regarding the Customer Referral Program to the Customer Referral Supplier, whose address and phone number shall be provided in all communications with Customer Referral Customers regarding the Customer Referral Program.

Article 3 Early Termination of Agreement

The Customer Referral Supplier may only terminate its Consumer Contract and Disclosure Statement with Customer Referral Customers during the initial 12 month billing period upon 30 days' prior written notice to the customer due to a change in law or other act beyond the Customer Referral Supplier's reasonable control or if the Customer Referral Supplier is no longer able to serve the customer. In addition, the Customer Referral Supplier may reject the enrollment or terminate its Consumer Contract if the Customer does any of the following:

- Moves within or outside of the EDC's service territory or fails to remain an EDC distribution Customer throughout the term under the applicable residential or small commercial electric rate class;
- Fails to be eligible for EDC consolidated billing throughout the term;
- Provides any false, inaccurate or misleading information to the Customer Referral Supplier or the EDC.

Article 4 Energy Efficiency and Conservation Programs

The Customer Referral Supplier acknowledges that Customer Referral Customers may participate in energy efficiency and conservation programs offered by the Company (as required by Applicable Legal Authorities or otherwise), by PJM, or by other third parties, and that such participation may reduce or change the amount of Customer Referral Supply that Customer Referral Supplier is required to provide and, therefore, the amount of money it may receive under this Agreement. Customer Referral Supply does not include the load which the Customer Referral Supplier may have served in the absence of such programs, and the Company shall have no obligation whatsoever to Customer Referral Supplier with respect to the effect, if any, of such programs. Customer Referral Supplier is solely responsible for determining the effect, if any, of

such programs on future load requirements.

Article 5 Entire Agreement

This Agreement and Appendices attached hereto constitute the entire Agreement and understanding between the Parties with respect to the services that are being provided hereunder. All prior written and verbal agreements and representations, if any, with respect to these services are merged into and superseded by this Agreement. No revisions or modifications to this Agreement will be valid, unless written and executed by all Parties and approved by the PaPUC.

Article 6 Authorization

Each Party to this Agreement represents and warrants that it has full and complete authority to enter into and perform this Agreement. Each person who executes this Agreement on behalf of either Party represents and warrants that he or she has full and complete authority to do so and that such Party will be bound by the Agreement.

Article 7 Jurisdiction

Any and all matters of dispute between the Parties, whenever arising, shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania regardless of the theory upon which such matter is asserted.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives to be effective as of the day and year first written above.

ATTEST:

{INSERT EDC HERE}

By: _____ By: _____

Name: [Insert Name]

Title: [Insert Title]

Name: [Insert Name]

Title: [Insert Title]

APPENDIX A

**RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER REFERRAL
PROGRAM PRICING
CONFIRMATION SHEET**

**FOR CUSTOMER ENROLLMENTS FOR THE PERIOD XX/XX/XXXX TO
XX/XX/XXXX**

The Customer Referral Supplier shall bill Customer Referral Customers in the [Name of EDC and name of Class] program that have been enrolled* during the period XX/XX/XXXX to XX/XX/XXXX at the prices set forth below. The following Fixed Rate shall be in effect through the last meter read date for 12 monthly billing periods after Enrollment.

Residential Customer Referral 12-Month Fixed Rate \$0.XXXX per kWh

Small Commercial Customer Referral 12-Month Fixed Rate \$0.XXXX per kWh

***Enrolled shall mean the day the customer accepts the EGS proposal for service**

Customers Referral Customers shall be enrolled using Rate Code xxxxxx for the Period xx/xx/xxxx to xx/xx/xxxx

APPENDIX B

CUSTOMER REFERRAL PROGRAM CHARGE

**PER CUSTOMER ENROLLED FOR THE PERIOD XX/XX/XXXX TO
XX/XX/XXXX**

The Companies shall charge the Customer Referral Suppliers for each customer enrolled during the period XX/XX/XXXX to XX/XX/XXXX at the CRP Charge set forth below.

CRP Charge Rate

\$XX.XX per customer enrolled

APPENDIX C

EGS PARTICIPATION OR SUSPENSION OF PARTICIPATION NOTICE

The Customer Referral Supplier shall be permitted to participate or suspend participation June 1, September 1, December 1 or March 1 upon providing the Companies with proper notice, as set forth below.

CUSTOMER REFERRAL SUPPLIER NOTICE TO PARTICIPATE IN OR WITHDRAW FROM THE ENROLLMENT OF NEW CRP CUSTOMERS

{INSERT EGS Name HERE} did not previously participate in the Company's Customer Referral Program and is hereby providing the Company 60 days notice of intent to enroll new customers in the [Name of EDC and Class] Customer Referral Program beginning XX/XX/XXXX.

{INSERT EGS Name HERE} previously participated in the Company's Customer Referral Program and is hereby providing the Company 30 days notice of intent to enroll new customers in the [Name of EDC and Class] Customer Referral Program beginning XX/XX/XXXX.

{INSERT EGS Name HERE} is hereby providing the Company 30 days notice of intent to withdraw from enrolling new customers in the [Name of EDC and Class] Customer Referral Program beginning XX/XX/XXXX.

EGS Representative _____

Date _____