

**Terms of Service Agreement  
PENSTAR POWER, L.L.C. (REP No. 10087)  
Texas Pay As You Go Smart Plan Residential Customers**

**WELCOME TO PENSTAR POWER L.L.C.**

Thank you for choosing PENSTAR POWER as your Retail Electric Provider (“REP”)! We recognize you have a choice, and we appreciate you trusting us to meet your needs as a pay as you go provider. This document explains the terms and conditions of your agreement to purchase electricity from Penstar Power (the “Agreement”). If you would like to receive this information in Spanish, please call us at **(800) 427-HOME**. This and our Electricity Facts Label (“EFL”) are available on our website for your review at [www.penstarpower.com](http://www.penstarpower.com).

*Usted puede obtener el mismo documento impreso detallando los Terminos de Servicio en español comunicandose con nosotros al **(800) 427-HOME**.*

**Please keep this Agreement for your future reference.**

**Enrolling and Canceling Service:** Penstar Power offers you PAY-AS-YOU-GO SMART PLAN. To be eligible for the Pay-As-You-Go Smart Plan, you must have a provisioned Advanced Metering Systems (AMS) also known as “smart meters” provided by your TDU. You must have access to an active e-mail address or a text-enabled cell phone to received account information from Penstar Power. (See the “Customer Account and Updates section of this TOS). You can call 1-800-427-HOME or visit our website [www.penstarpower.com](http://www.penstarpower.com) to start service. Penstar Power does not require a deposit to initiate service. No credit check required. You may terminate this agreement without penalty at any time for any reason.

**Critical Care Residential and Chronic Condition Residential Customers:** Penstar Power will not knowingly provide prepaid service to you if you are critical care residential or chronic condition residential customer as specified by your TDU. In addition, Penstar Power will not enroll you if you state you or someone in your household is critical care residential customer or a chronic condition residential customer. If you or a person occupying the service location applies for and is eligible for one of these designations after enrollment for prepaid electric service, contact Penstar Power and we will work with you to establish non-prepaid electric service. If Penstar Power is notified by the TDU you are a critical care residential or chronic condition residential customer and you are being provided prepaid service we shall work diligently with you to promptly transition you to a postpaid service or another REP in a manner that avoids a service disruption.

**We Don’t Discriminate:** We do not deny service or require deposit or prepayment for service based on applicant’s race, creed, color, national origin, ancestry, religion, sex, marital status, lawful source of income, level of income, disability, familial status, location in an economically distressed geographic area, or qualification for low income or energy efficiency services. Penstar Power does not use a credit score, credit history, or utility payment data as the basis for determining the price for electric service for a product with a contract term of 12 months or less for an existing residential customer or in response to an applicant’s request to become a residential customer.

**Right of Rescission**

If you are switching to Penstar Power from another REP, you have the right to rescind your switch request without fees or penalties of any kind by contacting us before midnight of the 3<sup>rd</sup> federal business (includes Saturdays) after the date your first received your TOS. You may rescind this switch by calling 1-800-427-HOME (toll free), faxing (877) 568-0524 (toll free), or email to [info@penstarpower.com](mailto:info@penstarpower.com). Please provide your name, address, phone number, ESI ID or account number, and a statement that you are rescinding your switch request under the 3 day right of rescission period.

**Billing and Payment Methods:** Penstar Power will not provide a monthly bill. Upon confirmation of your payment we will immediately send your TDU the necessary request to initiate service. In most cases

service can be provided in as little as 3 to 5 business days following receipt of payment. You may be required to prepay for an activation fee and any additional charges imposed by your TDU to implement your electricity service which may include but are not limited to; a service connection fee, meter test fee, an out-of-cycle or similar special meter read fee or priority fees if any of these services are performed on an expedited basis. For details on the current cost of your TDU's services see the rates posted at <http://www.puc.state.tx.us/industry/electric/rates/TDR.aspx>.

You will be provided a payment confirmation number or a purchase receipt which will show the amount of prepayment added to your account and sent to you via an Account Update. A Payment Transaction Fee may be assessed each time you add prepayments to your account. You may request a summary of usage and payment (SUP) which will be delivered by an electronic means of communications that provides a downloadable and printable record of the SUP or, if you request, by United States Postal Service. If you request a paper copy of the SUP, a fee may be charged which is specified within this document. You can avoid the delay of sending a payment through the mail by making a payment at any MoneyGram or ACE Cash Express location for an additional fee. Penstar Power also accepts credit and debit cards. For a small fee these payments may be made anytime through our automated phone service. Penstar Power is not liable for delays or failures in the receipt of any and all SMS text messages, as delivery is subject to effective transmission from your Wireless Service Provider and/or Network Operator.

**Customer Account Updates:** At the time of enrollment you must select a preferred method of electronic communications that is either email, or text messaging (standard text messaging charges may apply as charged by your phone service provider). These updates contain important account information. Some of the information which will be provided is estimated time and/or days of electricity service remaining, confirmation of valid prepayments and/or notices related to your account. If the method you selected at time of enrollment changes it is your responsibility to notify us with the updated and correct contact information. Penstar Power is not obligated to resend Account Updates.

**Disconnection or Interruption of Service:** The continuation of your prepaid electric service is contingent upon maintaining a positive balance in your prepaid account. A warning notice will be sent within 3-7 days before your account balance is estimated to reach \$10.00 through an Account Update. If your outstanding account balance reaches \$10.00 and you continue to receive electricity, your account will continue to accrue all charges for the electricity received.

Penstar Power may interrupt your service for any of the following reasons:

- The balance in your prepaid account is depleted.
- You fail to comply with the terms of a Deferred Payment Plan (DPP).
- An energy assistance provider fails to honor a pledge of payment to your account.
- You fail to pay any portion of the amount not covered by a pledge agreement.
- Your credit or debit card payment is returned unpaid by your financial institution, resulting in a negative balance your account.
- You fail to pay, or make arrangements to pay, any nonrecurring charge or fee or any adjustment applied to your account that results in a negative account balance.

Penstar Power will **not** interrupt service during an extreme weather emergency affecting the county in which service is provided. Your service will be restored within two hours of receiving payment that reestablishes a positive balance to your account. If your service remains interrupted for 5 consecutive calendar days, Penstar Power may request to terminate service from your TDU and close your account. Penstar Power also may authorize disconnection of your service without prior written notice for any of the reasons stated in Section 25.483 (d) of the PUCT's rules.

[www.puc.state.tx.us/agency/ruleslaws/subrules/electric/25.483/25.483ei.aspx](http://www.puc.state.tx.us/agency/ruleslaws/subrules/electric/25.483/25.483ei.aspx)

Additionally, Penstar Power may not request disconnection of your electric service:

- If it receives proper notification prior to the disconnection date that an energy assistance provider will be forwarding sufficient payment on your account;

- During an extreme weather event as specified in 25.483 (i) [www.puc.state.tx.us/agency/ruleslaws/subrules/electric/Electric.aspx](http://www.puc.state.tx.us/agency/ruleslaws/subrules/electric/Electric.aspx);
- On a holiday or weekend, or the day immediately preceding a holiday or weekend, unless the REP's personnel are available on those days to take payments, make payment arrangements with the customer, and request reconnection of service.

The PUC has provided that, under certain dangerous circumstances (such as unsafe electric line situations), any REP may authorize your TDU to disconnect your electric service without prior notice to you. Service may also be disconnected without notice 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 there has been tampering with the equipment of the TDU or where there is evidence of theft of service.

**Deferred Payment Plans:** A deferred payment plan is an agreement that requires you to pay a negative current balance over time on a prepaid account. This plan may be established in person, by telephone, online but shall be confirmed in writing. If you are a residential customer you shall be placed on a deferred payment plan at your request if your balance reflects a negative balance of \$50 or more during an extreme weather emergency and if you make a request within one business day after the weather emergency has ended or during a state of disaster declared by the governor if you are in the area covered by the declaration and the commission directs that deferred payment plans be offered. Penstar Power shall offer a deferred payment plan to a residential customer who has been under billed by \$50 or more for reasons other than theft of service. Penstar Power may offer you a payment plan if you express an inability to pay.

Penstar Power may require that no more than 50% of each payment transaction amount be applied towards the deferred payment plan amount owed or an initial payment will be no greater than 50% of amount due be made with the remaining balance paid in installments. The remaining balance may be paid in five equal monthly installments. Your service may be disconnected if you do not meet the terms of the deferred payment plan or if your current balance falls below the disconnection balance, excluding the remaining deferred amount. You will be provided at least one day's notice that you have not met the terms of the plan. Penstar Power may apply a switch-hold while you are on a deferred payment plan. A copy of the plan will be provided to you. When the requirements of the deferred payment plan have been met a request to remove the switch-hold will be initiated.

**Financial and Energy Assistance:** Penstar Power will advise you about payment assistance programs when you express an inability to pay or need assistance with the bill payment. A customer who receives food stamps, Medicaid, AFDC or SSI from the Texas Department of Human Services (TDHS) or whose household income is not more than 125% of the federal poverty guidelines may qualify for energy assistance. Contact PENSTAR POWER for information. Discounted rates may be available through "LITE-UP", the PUCT's rate reduction program. Please contact a LITE-UP Texas Representative toll free at 1-866-454-8387 (866-4-LITEUP) or go to the Public Utility Commission of Texas website at <http://www.puc.state.tx.us/consumer/lowincome/Assistance.aspx>. There may be energy efficiency programs available for low income and other residential customers. To find more information contact the Texas Department of Housing and Community Affairs at <http://www.tdhca.state.tx.us/> and the State Energy Conservation Office at <http://www.seco.cpa.state.tx.us/energy-efficiency/>.

**When can Penstar Power terminate this service?** You are signing up for our PAY-AS-YOU-GO Smart plan. Penstar Power will disconnect your service for non-payment after your funds are depleted and we do not receive further payment. After service has been disconnected for non payment and additional payments are not made, we will assume you no longer require Penstar Power as your retail electric provider and your service will be terminated. There are circumstances under which we are permitted to cancel the service immediately and without prior written notice to you: a known dangerous condition exists, service is connected without authority by a person who has not applied for service, service is reconnected without authority after disconnection for non-payment, there has been an attempt to bypass the meter or tamper with other TDU equipment or there is evidence of theft of service.

When your service is terminated you are entitled to any unexpended funds within ten business days after Penstar Power has received the final bill and reads from the TDU. In case of unexpended funds provided by you are less than five dollars, we will communicate the balance. If you contact Penstar Power we will refund the balance within ten business days. There will be a refund check fee for refund checks mailed which will automatically be deducted from your closeout balance prior to issuing a refund.

**What happens when one of us cancels this service?** If we cancel this service due to non-payment, your service will be disconnected. Cancellation by you or Penstar Power does not excuse your obligation to pay all outstanding fees and charges under this Terms of Service.

**Will you tell me if you change this Agreement?** Services are provided on a PAY-AS-YOU-GO basis. Rates may vary and change without prior notice. Penstar Power reserves the right to make other non-pricing related changes to this agreement at any other time, as necessary. If these are material changes, you will receive at least 14 days advance notification before these changes take effect. This notification may be delivered in a separate mailing from Penstar Power. You are allowed to terminate service, without penalty, if you reject the proposed changes.

**How do I contact you?** If you have questions or want to exercise your rights under this Terms of Service, please contact us using one of the following methods:

**Mailing address:** P.O. Box 720997, Dallas, Texas 75372  
**Toll-Free Customer Service Telephone Number:** (800) 427-HOME  
**Customer Complaint Line:** (866) 254-5632  
**Hours/Days of Operation** 8:00 am - 6:00 pm, Central Time, Mon-Fri & Sat 9 am-2 pm.  
**Fax Number:** (866) 343-3445  
**Website:** [www.penstarpower.com](http://www.penstarpower.com)  
**Email:** [info@penstarpower.com](mailto:info@penstarpower.com)

**What forms of payment do you accept?** You may make payments by money order or other certified funds (e.g. cashier's check). We will also accept payment through certain third-party payment service providers that we have identified as accepting payments on our behalf either in this Agreement or on our website (a "Convenience Payment"). The list of third parties accepting payments on our behalf may be changed from time-to-time by posting notice on our website and will be effective immediately. A transaction fee in addition to your payment amount will be collected by the third-party provider(s). Penstar Power also accepts credit and debit cards and for a small fee these payments can be made anytime through our automated phone service. Payment by any method other than one of the authorized payment methods in this paragraph will be returned and will not prevent any cancellation, termination, or disconnection of your account.

**What will I be charged for my electricity service?** Penstar Power's PAY-AS-YOU-GO SMART plan is a Variable Price Product. As such, the prices charged may vary or change without notice. You will be charged a daily base charge as listed on the EFL. We will also charge you for the electricity provided on a per kilowatt hour ("kWh") basis. Our rates for service are variable but will be no greater than the amount charged by the Provider of Last Resort (the "POLR"). The POLR rate changes from time to time. Consequently, the rate you are charged to purchase electricity from Penstar Power may vary with such changes in the POLR rate.

The Electricity Facts Label (EFL) includes details about this plan, which is a variable price product that includes an energy charge per kWh and daily base charge. The average price for electric service reflects the energy charge, a daily base charge (30 days) and all existing recurring charges excluding state and local sales taxes, and the State Miscellaneous Gross Receipts Tax reimbursement.

This rate is also subject to change for reasons including, but not limited to, a change in the TDU charges or a change in the cost of fuel used to produce energy during the term of this Agreement. If our rate changes we will post a new Electricity Facts Label with the applicable rate for your TDU region for that

month on our website at [www.penstarpower.com](http://www.penstarpower.com). The rate is also available by calling us at our customer service number.

**What other charges may be applied to my Account?** We may charge you fees for certain services we provide on your behalf or in connection with your account. Such fees may include:

Description	Fee
Daily Service Charge	\$ .33
Resend Account Update Fee from contacting Customer Service	\$3.95
Credit Card Processing Fee Not to Exceed	\$5.00
Monthly Account Summary Fee via email	\$0.00
Monthly Account Summary Fee via US Postal Service	\$2.95
Account Updates Resend Fee	\$2.95
Insufficient Funds Fee or Returned Payment Fee	\$25.00
Closeout Balance Refund Check Fee	\$3.95
Same Day Move In Fee	\$40.00

You may be required to prepay for an activation fee and any additional charges imposed by your TDU to implement your electricity service which may include but are not limited to; a service connection fee, meter test fee, an out-of-cycle or similar special meter read fee or priority fees if any of these services are performed on an expedited basis. The TDU may also bill Penstar Power and Penstar Power may in turn bill you, additional fees and charges specific to other services the TDU performed at your service location. These charges include but are not limited to service calls, any charges and fees related to tampering and denial of access. For details on the current cost of your TDU's services see the rates posted at <http://www.puc.state.tx.us/industry/electric/rates/TDR.aspx>.

We reserve the right to include any charges or credits necessary to correct any billing errors (past or current) on your account. We reserve the right to pursue all legal methods to collect any amounts lawfully owed. In the event that you fail to pay amounts owed in accordance with this Term of Service Agreement, you agree to pay reasonable collection costs and expenses (including attorney's fees) we incur as a result of our attempt to collect any amounts you owe. We will make reasonable efforts to return any unclaimed credit if a credit balance exists on your account after payment of your final invoice from us.

**What if I have a dispute?** If you have any questions or a dispute regarding the charges or payments on your account, please call us at (800) 427-HOME. If we are unable to respond to your question or dispute, we will investigate the matter promptly and report our findings to you. You will be required to pay the undisputed portion of your charges while we investigate. If you are not satisfied with our response you may contact the Public Utility Commission of Texas ("PUC") or the Office of the Attorney General, Consumer Protection Division. For more information on your rights in the event you have a dispute with your invoice or information on how to contact the Public Utility Commission of Texas, please see the "Your Rights as a Customer" document accompanying this Agreement.

Our terms of service and our electricity facts label will be mailed for your review. For questions regarding these documents please call our customer service department at 1-800-427-HOME. For your convenience these will also be available for your review electronically on our website.

**Will I be charged for taxes on your services?** You agree to pay all applicable Taxes and any fees charged by any governmental entity. These taxes and charges will be identified on your account.

**Where can I find all the PUCT rules you reference in this document?** All the rules mentioned in this document can be found at the Public Utility Commission of Texas website at:  
<http://www.puc.state.tx.us/agency/rulesnlaws/subrules/electric/Electric.aspx>.

**Who should I contact in the event of a power-outage?** For outages, downed wires, damage to your electric meter and any other emergency, call 24 hours a day, 7 days a week your local transmission and distribution utility. Contact the appropriate number that corresponds to the Transmission and Distribution Utility (TDU) for the service area in which you live:

Oncor	888-313-4747
CenterPoint	800-332-7143 or 713-207-2222
TNMP	888-866-7456
AEP	866-223-8508
Sharyland	956-668-9551

**WARRANTIES. PENSTAR POWER MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

**LIMITATION OF LIABILITY. OUR LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO DIRECT DAMAGES ACTUALLY INCURRED. WE SHALL NOT BE LIABLE FOR INTERRUPTION OR SHORTAGE OF SUPPLY, NOR ANY ASSOCIATED LOSS OR DAMAGE, RESULTING FROM CAUSES OUTSIDE OUR REASONABLE CONTROL. NEITHER YOU NOR US SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.**

**Force Majeure** We will not be in breach of our obligations under this Agreement to the extent that our failure to perform is caused by forces or circumstances beyond our reasonable control. Such forces or circumstances include, but are not limited to, unusually severe weather, flood, fire, lightning, drought, earthquake, failure of the Electric Reliability Council of Texas (ERCOT) or TDU to transmit electricity or perform any of their obligations, or failure of performance of any of our suppliers, vendors or other third parties.

**Miscellaneous** By initiating service with PENSTAR POWER you certify that you are a resident of the service address, at least 18 years of age, and that you are legally authorized to select the Retail Electric Provider for the service address. If different from the service address, the billing address is the address you provided at sign-up. You may not assign this Agreement without our prior written consent. There are no third-party beneficiaries to this Agreement.

This Agreement will be governed and construed in accordance with the laws of the State of Texas. The terms and conditions set forth the final and entire Agreement between you and us regarding your purchase of electricity service (subject to applicable law), and supersede all previous promises, understandings and agreements. The headings in this Agreement are for convenience only. If any provision of this Agreement is deemed to be invalid, illegal or otherwise unenforceable, you and we agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If any such provision cannot be modified in such a manner, that would make it valid, legal and enforceable, such provision shall be severed from this Agreement, and all other provisions hereof shall remain in full force and effect. Any failure on our part at any time to enforce any term or condition of our service or to exercise any right under this Agreement shall not be considered a waiver of our right thereafter to enforce each and every such term and condition or to exercise such right or any other right under this Agreement.