



Terms of Service

Welcome to Acacia Energy! This Terms of Service document is for Acacia Energy LLC's "Variable Select Plan" (a variable price product), and along with the applicable Electricity Facts Label, explain your rights and responsibilities regarding electricity service, as well as our rights and responsibility to you. As your Retail Energy Provider (REP), we arrange with your transmission and distribution service provider (TDSP) for electricity to be delivered to your home or business. If you ever have any questions regarding your electricity service, please do not hesitate to contact us.

Term of Our Agreement. Your initial term of service with Acacia Energy will begin on the date on which the first reading of your meter is provided to Acacia Energy OR Acacia Energy has been confirmed as your Retail Energy Provider by ERCOT and will last for 1 month. Upon expiration of the initial term, our Agreement will automatically renew from month to month when you pay the amount shown on your invoice. If you fail to pay the amount due on your invoice, your service is subject to disconnection. If you fail to have your service reconnected within 5 business days of its disconnection, this agreement will be terminated.

Pricing – Variable Price Product. Acacia Energy will bill you the Energy Charge shown on your EFL for your first billing cycle. As noted below, this rate may change in future billing cycles at the discretion of Acacia Energy. This Energy Charge is also subject to the verification of the correct load profile as assigned by Electric Reliability Council of Texas (ERCOT) and is only for residential electric service. The Energy Charge includes the cost and charges for electricity supply, any electric energy losses, congestion charges, scheduling services, ERCOT-imposed administrative fees, any imbalance charges, reimbursement of gross receipt tax and ancillary services. The Energy Charge also includes all recurring, variable TDSP Pass-Through Charges. You will also be billed our Monthly Base Charge, the TDSP per meter fee, taxes, Public Utility Commission of Texas (PUCT) Assessment, and any other applicable late fees or non-recurring fees charged by the TDSP or Acacia Energy. If more than one meter identified by Electric Service Identifier ("ESI-ID") is included in this agreement, the Energy Charge will be charged for all of the usage at all of the included ESI-IDs. You are responsible for all applicable state and local taxes and charges. If you are exempt from Gross Receipts Tax due to living in an unincorporated area, it is your responsibility to provide us with this information, so that Acacia Energy can update your account accordingly.

The Energy Charge is determined by Acacia each month and so may vary month-to-month without advance notice. The historical prices of this product are available at <http://www.acaciaenergy.com> or call toll-free 1-877-997-2946. All subsequent month's prices will be posted on this website by the first business day of each month. The Energy Charge may also change to reflect changes to the ERCOT or Texas Reliability Entity administrative fees charged to loads or changes resulting from federal, state or local laws that impose new or modified fees or costs on Acacia that are beyond Acacia's control will be passed through to you without advance notice and shall be shown as one or more separate line items on your bill. Regardless of usage, you will be assessed a Monthly Base Charge, as listed on your Electricity Facts Label (EFL), for each billing cycle, which is defined as a period bounded by a start date and stop date that the TDSP uses to determine when a customer used electric service. A billing cycle may be less than 30 days but the Monthly Base Charge will not be prorated. In no event will more than one Monthly Base Charge be assessed per ESI-ID per billing cycle. This Monthly Base Charge will be listed as a separate line item on your bill. If more than one ESI-ID is included in this agreement, you will be charged a separate Monthly Base Charge for each included ESI-ID. You will also be billed the Minimum Usage Charge shown on your EFL for any consumption less than the threshold noted on your EFL in any given month.

All applicable governmental taxes and non-recurring TDSP fees, such as, but not limited to, connection charges, move-in charges, meter installation charges and reconnection charges will be listed separately on your bill. Please see Exhibit 1 for a summary of the most common TDSP non-recurring fees.

Calculation of your charges: Your electricity service charges shall be calculated as follows: Energy Charge (energy price per kWh x total kWh consumed) + Monthly Base Charge + TDSP non-recurring discretionary charges + any applicable late fees or Acacia Energy non-recurring discretionary charges + all applicable taxes, including reimbursement of Gross Receipts Tax and PUCT Assessment.

Acacia Energy Non-Recurring Fees. In addition to the Energy Charge and other recurring fees discussed above, please see Exhibit 1 for a listing of all non-recurring fees that can be assessed to you by Acacia Energy. Acacia Energy also reserves the right to pass through any other fees assessed to Acacia Energy by third parties (including, but not limited to, ERCOT, the PUCT, or your TDSP) to service the account. Exhibit 1 also identifies the more common TDSP non-recurring charges.

Enrollment on AutoPay. To enroll on or maintain service under this plan, you are required to enroll on Acacia's AutoPay plan with either a MasterCard or a Visa. With Acacia's AutoPay plan, payment for the full amount of each electric bill will be charged to your credit card on **(the payment due date/date of your choosing)**. You are responsible for ensuring that your credit card is in good standing.

Establishment of Satisfactory Credit. You may qualify to receive service from Acacia Energy on this plan by demonstrating satisfactory credit via an acceptable credit score or by providing a letter from your current or most recent Retail Electric Provider which verifies that you have not been



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delinquent paying an electric bill more than once during the past 12 months or had service terminated or disconnected for non-payment within the last 12 months.

Deposits. Customers unable to demonstrate satisfactory credit may be required to post an initial deposit or other acceptable collateral to receive service. Estimated billings for an initial deposit from an applicant may be based upon a reasonable estimate of average usage for the customer class or may be based on the customer's estimation of anticipated usage or the premise's actual historical usage. Acacia Energy shall not require an initial deposit from an existing customer unless that customer, during the previous 12 months of service, has been late paying a bill more than once or has had service terminated or disconnected for nonpayment. Additional deposits may be required from an existing customer if the average of their 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. 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. In no event will the total of an initial and an additional deposit exceed the greater of either the sum of your estimated billings for the next two months or one-fifth of your estimated annual billing.

If a deposit is required to maintain service with Acacia Energy, you shall receive written notice informing you of Acacia Energy's deposit policy. If a required deposit is greater than fifty dollars (\$50), customers who qualify for a rate reduction program may pay the deposit in two equal installments. Applicants 65 years of age and older who are not currently delinquent in paying their electric service account and applicants who are a victim of domestic family violence may qualify to have the deposit waived; please call us for additional information.

If an initial or additional deposit is required for an existing customer, Acacia Energy may require the customer to pay the deposit within ten days after issuance of a written notice that requests such deposit, and a disconnection notice may be combined with or issued concurrently with 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. Acacia Energy will offer a deferred payment plan (see below) to any customer requesting assistance with a deposit payment.

Interest On and Refund Of Deposits. You will accrue interest on your deposit, if held more than 30 days, at an annual rate approved by the PUCT. Your deposit will be refunded when you have paid your bill for electric service for 12 consecutive months without having more than one (1) late payment. When your account with Acacia Energy is closed, your deposit and accrued interest, less any outstanding balance owed for electric service, will be refunded to you. Payment of accrued interest will be made once a year as a credit to your account.

Right of Rescission. For switch requests, until midnight on the third federal business day after you receive this Terms of Service, you have the unconditional right to rescind this Agreement without penalty or fee of any kind. The right of rescission does not apply if you are requesting a move-in. To rescind, contact us before the deadline with the following: (1) your name; (2) account number; (3) the address of the service location; and (4) a statement that you are cancelling under the three-day right of rescission.

Billing and Payment; Late Fees; NSF fees. You will receive a monthly bill from Acacia Energy for electric service. The monthly bill will be due and payable in full within sixteen (16) calendar days of the date of the bill. If your monthly bill is not paid by the due date, you may be assessed a late fee of an additional five percent (5%) of the current amount past due for that monthly bill. Customers will be charged a fee as shown on Exhibit 1 for payments returned for: (1) insufficient funds; (2) a lack of available credit; or (3) any other reasons for bank returns. Any check or electronic transfer returned by a bank for insufficient or unavailable funds will be treated as if we received no payment at all. If you have two or more returned payments in 12 months, you must pay us by money order or in cash. We are not responsible for notifying you of bounced checks or returned electronic payments. We may use consumer reporting agencies to report and retrieve your credit information or that of any other responsible person. We may also use debt collection agencies to collect any outstanding balances on your account. We, or anyone acting on our behalf, reserve the right to assess and collect from you, as a current or former customer, or other responsible persons any and all costs, fees or charges related to the collection of delinquent balances, including but not limited to commissions, costs, fees and attorney's fees incurred when recovering outstanding balances through the use of any collection agency or an attorney. Acacia Energy may use estimated meter readings to generate your bills.

Alternate payment arrangements, payment assistance, and low income discounts. Please contact us before the invoice due date if you will have difficulty making your payment. Together we may be able to work out an alternate payment plan, such as a courtesy deferment, or some other payment arrangement. We accept payment from a 3rd party on behalf of a customer. We will offer each customer the opportunity to contribute to a bill payment assistance program for qualified residential customers. We participate in state programs that offer rate reductions for low income customers who qualify.

Deferred Payment Plans: Acacia Energy offers a Deferred Payment Plan which allows a residential customer to pay an outstanding balance in installments over a period of time. To enroll in a Deferred Payment Plan we may require from you an initial payment of 50% of the outstanding



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balance on your account and for the remaining balance to be paid over five billing cycles. Your service may be disconnected if you do not meet the terms of the Deferred Payment Plan issued to you. You may request a deferred payment plan for bills that become due during extreme weather emergencies, during governor-declared disasters as directed by the Public Utility Commission, or if you have been underbilled by \$50 or more. You may also request a deferred payment plan (or placement on our average billing plan) for bills that become due in July, August or September (or in January or February in certain situations) if you are receiving the LITE-UP (the Texas low-income) discount, are designated as a Chronic Condition or Critical Care Residential Customer, or if you cannot pay your bill on time unless (1) you have been disconnected for non-payment during the previous 12 months, (2) have made more than two payments during the previous 12 months that were returned due to insufficient funds available or, (3) you have received service from us for less than three months and you lack sufficient credit or a satisfactory history of payment for electric service from a previous retail electric provider.

Acacia Energy may offer deferred payment plans to any customer requesting assistance with payment of a deposit.

Customers will receive a written confirmation of any deferred payment plan they have entered into with Acacia Energy. Payments are due on a deferred payment plan as specified in the written plan. Failure to make deferred payment plan payments as specified, or failure to make timely payments on bills as they are issued, may result in disconnection of service.

If you are on a deferred payment plan, your account will be subject to a switch-hold. A switch-hold means that you will not be able to buy electricity from other companies until you pay the total deferred balance. The switch-hold will be removed after your deferred balance is paid. While a switch-hold applies, if you are disconnected for not paying, you will need to pay us to get your electricity turned back on.

Average Billing Plan: Acacia Energy offers an average billing plan. With this plan your monthly payment will be based on the historical usage associated with your account. Your monthly payment amount may be adjusted quarterly based on your actual usage. We will notify you of any change in your average payment amount. We will reconcile your account at least annually and may charge or credit your account based on any difference between actual usage charges and payments received under the average billing plan. This program is available to any customer who is not currently delinquent in payment to Acacia Energy and any residential customer eligible to receive the LITE-UP discount. In the event the Terms of Service are canceled or terminated or your electric service is disconnected, the level or average billing option does not affect your obligation to pay for all actual usage.

Disconnection for Non-Payment. If you do not pay your bill on its due date Acacia Energy reserves the right to disconnect your electric service upon ten (10) calendar days notice of our intention to do so. We may also disconnect your electric service without prior notice immediately if: (1) there is an existence of a known dangerous condition; (2) where service is connected without authority by a person who has not made application for service; (3) where service is reconnected without authority after disconnection for nonpayment; (4) where there has been tampering with equipment; or (5) where there is evidence of theft of service.

Disconnection Without Notice. Acacia Energy or your TDSP may disconnect your service without notice if a known dangerous conditions exists for as long as the condition exists; 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 meter or other service provider equipment of the transmission and distribution utility, municipally owned utility, or electric cooperative; or where there is evidence of theft of service.

Dispute Resolution and Complaints. In the event that you have a complaint regarding your electricity service, or you would like to dispute a charge to your bill, simply contact Acacia Energy the contact information above.

Right to Cancel Your Service. You have the right to cancel your service at any time, without penalty. If you are moving-out of a premise, we may you to provide us with reasonable evidence that you are moving. To cancel your service, please contact us.

Material Changes in Terms of Service. Acacia Energy will notify you at least 14 days prior to a material change in its Terms of Service. This may be provided with your bill or in a separate mailing. If the material change does not favor you, and if the new terms are not acceptable to you, you may terminate the contract within 14 days from the date that the notice is sent to you and no termination penalty (if otherwise applicable) shall apply; a termination penalty may apply if action is taken after the 14 days have expired. Note that establishing service with another REP may take up to seven business days. You cannot terminate the agreement if the changes favor you or are mandated by the PUCT or other regulatory agency.

PUCT Rules. The complete text of the PUCT Customer Protection Rules referenced herein can be found at <http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>.

Assignment; Release of Customer Information. You may not assign this Agreement. By entering into this Agreement, you authorize your Local Distribution Utility to release all information to Acacia Energy that we need in order to provide you with electricity service including, but not limited to, your address, phone number, account number, historical usage information, and previous payment history.



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Refusal of Service. We may refuse to provide you electric service for any of the reasons specified in §25.477 of the PUCT Substantive Rules.

Antidiscrimination. Acacia Energy cannot deny service or require a prepayment or deposit for service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of a customer in a economically distressed geographic area, or qualification for low income or energy efficiency services. For residential customers, Acacia Energy cannot use a credit score, a 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.

Force Majeure. Acacia Energy makes commercially reasonable efforts to secure electricity but does not guarantee a continuous supply of electrical energy. Acacia Energy does not generate, transmit, or distribute your electricity. Events that are outside the control of Acacia Energy ("Force Majeure Events") may result in interruptions or irregularities in your electric service. YOU AGREE THAT Acacia Energy WILL NOT BE HELD LIABLE FOR ANY INTERRUPTIONS OR IRREGULARITIES IN YOUR ELECTRIC SERVICE. YOU AGREE THAT Acacia Energy WILL NOT BE HELD LIABLE FOR ANY DAMAGES OR CONSEQUENCES RESULTING FROM SUCH FORCE MAJEURE EVENTS.

Limitations of Liability. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES AND SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY.

Representations and Warranties. Acacia Energy MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THESE TERMS OF SERVICE, AND Acacia Energy EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Entirety. This Agreement, along with the Applicable Electricity Facts Label constitutes the entire agreement between Acacia Energy and you, the customer. This agreement supersedes any prior agreements or representations, whether oral or written, with respect to these Terms of Service. No modification by change, addition or deletion shall be enforceable unless reduced to writing as provided for in this Agreement.