

Residential WGL Energy Services, Inc. Natural Gas Supply - Terms & Conditions

General Conditions

WGL Energy Services, Inc. (WGL Energy Services) is licensed by the Pennsylvania Public Utility Commission (License no. A-2010-2176410) to offer and supply natural gas in Pennsylvania and is a qualified natural gas supplier under PECO's tariff. Commodity prices and charges are set by the natural gas supplier you have chosen. The Public Utility Commission regulates distribution prices and services. WGL Energy Services supplies natural gas to your Natural Gas Distribution Company, PECO (PECO or your NGDC), based on how much you consume and PECO delivers the natural gas to you using their natural gas distribution pipelines. The distribution of natural gas cannot be terminated or interrupted by PECO as a result of any dispute between you and WGL Energy Services. WGL Energy Services is a subsidiary of WGL Holdings, Inc., and an affiliate company of Washington Gas. The WGL Energy Services Natural Gas Supply - Offer (Offer), together with these WGL Energy Services Natural Gas Supply - Terms and Conditions (Terms and Conditions), constitute the entire WGL Energy Services Natural Gas Supply Agreement (Agreement) between you and WGL Energy Services. You must remain a PECO customer in Pennsylvania and provide WGL Energy Services with complete and accurate information to begin and continue service.

Right of Rescission

You have the right to cancel this agreement at any time before midnight of the third business day after enrollment by contacting the WGL Energy Services Customer Care Center at 844-4 ASKWGL (844-427-5945).

Natural Gas Supply Service

WGL Energy Services agrees to sell you natural gas supply at the price, term and carbon offset percentage in the Offer. These prices apply 24 hours a day and will begin on your next applicable Meter Read Date. The WGL Energy Services Fixed Price Plan will extend for the term indicated in the Offer. If you select the WGL Energy Services Variable Price Plan, the monthly price indicated is only for the first month's usage and the price for each subsequent month's usage will be determined by WGL Energy Services in response to changing market conditions and posted at www.wglenergy.com on or before the 25th day of each month.

Carbon Offsets

WGL Energy Services agrees to sell CleanSteps® Carbon Offsets or PA Carbon Offsets from WGL Energy as part of our natural gas supply service at the percentage and prices indicated on the Offer and from certified project sources within the District of Columbia, Delaware, Maryland, Pennsylvania, and Virginia. WGL Energy Services has entered into contracts to purchase carbon offsets from these regional project sources, which are listed at www.wglenergy.com/offsets. If you elect to purchase gas supply service with CleanSteps® Carbon Offsets or PA Carbon Offsets at a time when a previously executed Agreement is in effect, this choice shall amend and be incorporated into your prior Agreement.

Billing and Payment

You will receive a single bill from your NGDC that will contain their charges and WGL Energy Services' charges. Payments will be due and payable to your NGDC according to your NGDC's billing schedule and policies. You are responsible for WGL Energy Services charges, your NGDC's charges consistent with their filed tariffs, all applicable balancing and storage charges and for all applicable taxes. If you are exempt from sales tax, you must submit a sales tax exemption form to WGL Energy Services before any exemption can be processed. WGL Energy Services may charge a late payment fee consistent with your NGDC's tariff on any past due balances. WGL Energy Services reserves the right to change billing methods. You will be responsible for all costs, including legal fees, associated with the collection of outstanding balances.

Budget Bill Plans

If you are enrolled in your NGDC's budget bill plan, you will continue to receive budget bills following account reconciliation with your NGDC.

Automatic and Early Contract Renewal Options

If you have a fixed term agreement with us that is longer than 3 months and it is approaching the expiration date, or whenever we propose to change the terms of service, we will send you advance written notifications 60 to 75 days

and at least 45 days before the expiration date. If we are billing you directly for our services, then we will provide the notices as a bill message, a bill insert, or in a separate corresponding mailing. If the NGDC is billing our charges for us, then we will provide the notices in separate corresponding mailings. We will explain your options to you in these two advance notices. This Agreement shall be automatically renewed without an early cancellation fee with the revised Offer and Terms and Conditions unless you cancel the renewal of this Agreement by notifying us no later than 30 days prior to the end of the term. If a renewal offer is made that continues the effectiveness of an early cancellation fee, you will be asked to sign a renewal Agreement. WGL Energy Services may also offer you an Early Renewal Option by sending you notice of a new price for a fee and upon payment of the fee, this Agreement shall be renewed at the new price for a Renewal Term. Customers on the WGL Energy Services Variable Plan will not receive renewal notices from WGL Energy Services.

Termination by WGL Energy Services

WGL Energy Services may terminate this Agreement on 30 days written notice as a result of the following: (1) non-payment by you; (2) changes in any legislation, regulation or NGDC tariff that adversely affect this Agreement; or (3) Acts of God. The effective termination date will occur on the next applicable meter read date, and upon termination with WGL Energy Services, you will be returned to your NGDC's service.

Termination by Customer & Early Cancellation Fees

You may cancel this Agreement by notifying WGL Energy Services in writing by mail or by calling us at 844-4 ASKWGL (844-427-5945). If you cancel this Agreement, the effective termination date will be on the next applicable meter read after your NGDC processes your cancellation request. Fixed Price Plan: An early termination fee of \$10 per month for each month that remains in your contract term will be charged to you. WGL Energy Services will bill this fee separately from the NGDC bill; and, this fee will be due 30 days upon receipt of WGL Energy Services bill. This fee will be waived if you cancel within the applicable rescission period or if you move. Variable Price Plan: No cancellation fee applies. If you cancel this Agreement, you will have the option of returning to your NGDC's natural gas sales service or choosing another natural gas supplier. WGL Energy Services reserves the right to deny you subsequent enrollment in any WGL Energy Services Energy Supply Service.

Change of Residence

If you move, you may cancel your Agreement without penalty by contacting WGL Energy Services in writing by mail within 45 days of such change. A final meter reading will be made at your old address and your account will be closed and finalized with your NGDC and WGL Energy Services. If you move within your NGDC's service territory, you may have the option of signing a new Agreement with WGL Energy Services at your new residence.

Assignment

You may not assign this Agreement. WGL Energy Services may transfer, assign or sell this Agreement in connection with any financing, to any of its affiliates, to anyone succeeding in interest to all or substantially all of WGL Energy Services' assets or business, or to another supplier licensed to conduct business in your NGDC's service area.

Limitation of Liability

You understand and agree that there are no warranties, either expressed or implied, associated with this offer or the natural gas and/or electricity service sold under this Agreement. WGL Energy Services will bear no liability to you or any third party for consequential, punitive, incidental, special, or indirect damages. This Agreement constitutes the entire Agreement between you and WGL Energy Services. No statement, promise or inducement made by either party that is not contained in this Agreement shall be valid or binding.

Information Release Authorization

Through this Agreement, you authorize WGL Energy Services to obtain information from your NGDC that includes, but is not limited to: billing information and history, payment information and history, historical and future natural gas usage, meter readings, and characteristics of natural gas service.

Dispute Procedures

WGL Energy Services can be reached by mail at: WGL Energy Services Customer Care Center, P.O. Box 7600 Hampton, VA 23666-0600. Please contact WGL Energy Services at the address above or call our Customer Care Center toll free

at 844-4 ASKWGL (844-427-5945) Mon - Fri between 7:00 am to 7:00 pm ET, except holidays, to answer questions or resolve any disputes regarding this Agreement. You may call the Pennsylvania Public Utility Commission at 1-800-782-1110 or write to them at the Bureau of Consumer Service, P.O. Box 3265, Harrisburg, PA 17105-3265 if you are not satisfied after discussing your terms with WGL Energy Services. The Public Utility Commission's website address is www.puc.state.pa.us and more information about energy choice may be found at www.pagasswitch.com. The Office of Consumer Advocate's phone number is 717-783-5048 and their website address is www.oca.state.pa.us.

Contact Information

Supplier Name: WGL Energy Services, Inc., P.O. Box 7600 Hampton, VA 23666-0600, 844-4 ASKWGL (844-427-5945) (toll free) Mon. - Fri. 7:00 am to 7:00 pm ET, except holidays, www.wglenergy.com; Natural Gas Distribution Company (Provider of Last Resort): PECO Customer Service Center, 2301 Market Street, P.O. Box 8699, Philadelphia, PA 19101, 1-800-494-4000. For information about PECO's universal service programs, call 1-800-494-4000; Public Utility Commission: Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265, 1-800-692-7380.

WGL Energy Services reserves the right to cancel the availability of its natural gas offers at any time.