

Notice of Price, Terms, and Conditions of Service

Public Utilities Code Section 986 requires that each registered Core Transport Agent (CTA) offering natural gas (gas) service to residential and small commercial customers provide the potential customer with this written notice prior to the commencement of service. This written notice describes the price, terms, and conditions of service that will apply to you, if you decide to purchase gas from us. Vista Energy Marketing, L.P. (Vista) is a registered CTA with the California Public Utilities Commission (CPUC). Our CTA registration number is CTA0008. Our address is 4306 Yoakum Blvd., Suite 600, Houston, TX 77006. Our email is customerservice@vistaenergymarketing.com and our telephone number is 888-508-4782.

Summary

This notice contains important information regarding the price, terms, and conditions of service with our company. This summary describes some of the more important points covered in this notice. You should, however, read the entire notice so that you understand all of the price, terms, and conditions which apply to you. Your total price of gas is estimated to be «FixedPrice» cents per therm. This total price of gas includes the estimated price of gas, the estimated price to transport the gas to your home or business, and all other estimated charges. If you choose our company to be your CTA, you agree to let us be your gas provider for a period of «TermLengthInMonths»months (Primary Term), and then on a month to month basis unless you choose another gas service provider or sign a new service agreement with us. Should you decide to terminate this arrangement earlier, you will have to pay an early termination fee or penalty of \$0.00. You have the right to cancel this contract for gas service until the thirtieth day after the first bill you receive for Vista charges, but you will owe Vista for any gas provided to you by Vista.

Your Right To Choose

You have the right to choose who you want to purchase your gas from. If you select a CTA to supply you with gas, your existing gas utility will still be responsible for ensuring that the gas is transported to your residence or business. If you choose our company to be your CTA, we do not offer a low income assistance program that provides a discount on your gas bill. If you qualify, you may also be eligible for low income assistance for the gas transport service provided by your existing gas utility. You should contact the gas utility to see if you are eligible for such assistance, and to apply with the gas utility if you are eligible for such assistance.

In selecting a CTA, you should be aware that the CTA will require you to enter into a contract for a fixed period of time, rather than on a month to month basis. If you enter into a contract for a fixed period of time, and you decide to switch your gas provider before the contract term is up, you may be obligated to pay certain fees or penalties for early termination of the contracts. Our early termination fees and penalties are shown in the Summary above. Should any CTA refuse to provide you with gas service, you have the right to request, within thirty days from the date service was denied, that the CTA send you a written explanation of why the CTA denied you service.

Verification That You Want a New Provider of Gas

If you decide to purchase your gas from someone other than your current provider of gas, the law requires the new CTA or the gas utility to verify that you agree to the change in your provider. This verification can take place in several ways. If you are a residential customer and you are contacted by a CTA, and you agree to switch to the CTA as your new gas provider, the CTA is required to connect you to a "third-party verification company," or to have the third-party verification company call you, to confirm that you agree to switch to the new CTA. The third-party verification company may ask you for certain identifying information such as your name, your address, your current gas provider and account number, and whether you agree to the switch to the new CTA that you have selected. You should be careful not to disclose any more information than necessary to confirm the switch. The third-party verification company can use the information that you provide only to confirm that you agree to the switch in provider. An unauthorized release of the information you supplied to the third-party verification company is grounds for a civil lawsuit. You may also request the third-party verification company for a copy of the record that confirms you have agreed to switch to the new provider of your choice.

If you are a residential customer and you directly call the CTA that you want to switch to, or if you enter an agreement via a written transaction where you acknowledge you are voluntarily changing the entity that supplies you with natural gas, your new gas provider is not required to use the third-party verification process described above. Instead, your contact with the new provider is sufficient to confirm that you agree to switch to the CTA you called.

If you are a small commercial customer, the CTA must confirm your agreement to switch to the new provider in one of four ways. First, the new CTA can use the third-party verification process described above. The second method is for the new CTA to mail you an information package regarding your agreement to switch, and you return the written confirmation to switch. The third method is that the new CTA may have you sign a document which explains to you the effect of the change to a new CTA. And the

fourth method is for the new CTA to obtain your consent through electronic means, such as e-mail or a facsimile authorization consenting to the switch to the new CTA.

Your Total Price of Gas

The total price of gas delivered to your home or business is estimated to be «FixedPrice» cents per therm* during the Primary Term. This total price consists of the following:

1. The estimated price of gas is «FixedPrice» cents per therm*. This price is based on the anticipated price of gas, and all recurring costs. Our recurring charges are for the following kinds of charges:

«MSF»2. You will also pay charges for services provided by the gas utility to transport the gas to your home or business. These charges are as follows:

PG&E charge for transportation of gas \$«PGEDelivery»per therm**

In addition to the total price of gas delivered to your home or business, you may also have to pay to the utility the following non-recurring charges (not a complete list):

{PG&E: Returned Check Charge *\$7 for each returned check}*

{PG&E: Field Collection Charge *\$10 for each collection field call}*

{PG&E: Reconnection Charge *\$20 for restoring service during normal business hours**}*

The following table provides you with an estimate of your monthly gas bill based on the total price of gas delivered to your home or business and estimated monthly usage (in therms).

<u>Monthly Usage</u>	<u>Estimated Monthly Bill***</u>	
10	5.490000	
25	13.725000	
50	27.450000	
75	41.175000	
100	54.900000	*If your price plan includes fixed charges, your average price may vary based on your usage level.
150	82.350000	Average price based on usage level of 50 therms per month.
200	109.800000	
250	137.250000	
275	150.975000	**see www.pge.com for a complete list of current rates and charges
300	164.700000	
400	219.600000	
500	274.500000	***all usage levels may not be applicable for Fixed Daily Charge product. See section on Change in Agreement for more information.
600	329.400000	
700	384.300000	
800	439.200000	
900	494.100000	
1000	549.000000	

Terms and Conditions of Service

This Notice of Price, Terms, and Conditions of Service along with your Welcome Letter from Vista constitute your agreement with Vista. By enrolling with Vista, you authorize Vista to act as your exclusive CTA to establish and administer supply service on your behalf, and you acknowledge that your gas and electric usage, billing, and payment information will be released to Vista as a condition of receiving core gas aggregation service. Vista agrees to provide services to you in accordance with the terms and conditions of your utility's tariff and other applicable laws, rules and regulations that may apply. Your service with Vista will begin on your first available meter reading date, as determined by your utility

Price and Billing: You will receive an agreed upon price for natural gas service as specified in your Welcome Letter. During your Primary Term, your price may include one or more of the following rate types:

Introductory Rate – rate applicable for an initial period of time, as defined in your Welcome Letter;

Fixed Rate – rate is fixed and will not change for a period of time, as defined in your Welcome Letter;

Fixed Daily Charge – rate is per day and includes unlimited usage. If your utility provides historical monthly usage for you which is materially higher than our estimate of your usage, or if your monthly usage exceeds 120% of your historical monthly usage during 2 or more months, at its discretion and after notification to you Vista may terminate the agreement or change the rate consistent with the material change to your usage information;

Guaranteed Lower Rate - rate may change from month to month but will be less than the rate you would have received for natural gas service from your utility; and

Variable Rate - rate will be determined by taking the appropriate first of month index as published in Natural Gas Intelligence for the applicable utility's City gate Delivery Point monthly closing price and adding an amount NOT TO EXCEED \$1.50 per therm. The Variable Rate reflects the wholesale cost of natural gas plus market and non-market factors (including Vista's costs, expenses, and margins), and may or may not be lower than the utility rate.

Except as noted below, your estimated price of gas will be calculated by multiplying the applicable price times the metered usage as determined by the utility. Vista will obtain 12 months of historical usage from the utility or, in the event the utility does not provide 12 concurrent months of historical usage, Vista will create a historical usage profile based on customers with similar characteristics. If metered usage is less than the corresponding monthly usage in the historical profile, your bill will be based on the historical usage and the under usage will be credited to your bill using the Platt's Gas Daily absolute low price for the month applicable for your utility. You are solely responsible to your utility for other charges relating to the delivery of gas to your facility or residence. For billing cycles where a Fixed Daily Charge is in effect, metered usage will not be used to calculate Vista's charges but will be used for the historical usage profile. You are responsible for all applicable sales, state, and local taxes unless otherwise noted above, and for costs associated with our collection of your outstanding balance, if that should become necessary.

At the end of the Primary Term, if Vista proposes to change your price or other terms of this Agreement, Vista will provide notice of such proposed change no less than thirty (30) days before such proposed change is to become effective. If Vista does not notify you of any changes prior to the end of the Primary Term or you do not respond to a notice of proposed change, your service will continue on a month to month basis and the estimated price of gas may continue unchanged or move to a Variable Rate. You may cancel at any time without penalty when you are served on a month to month basis.

Although you, the customer, will be purchasing gas from us, we will arrange to have the gas utility send you a single bill for the gas utility's charges and for our charges. Should you own any past due amounts on your bill, the gas utility is responsible for collecting any past due amount from you. If you fail to pay any past due amount owed to the gas utility, the gas utility may then disconnect your service. If you fail to pay any past due amount owed to us, we may transfer your gas service back to the gas utility, who may then disconnect your gas service if you fail to pay the gas utility's charge. If your gas service is disconnected, you may be obligated to pay a disconnect fee to the gas utility. In order to reestablish gas service, you may have to pay a reconnection fee to the gas utility.

Credit: Activation of your service with Vista is contingent upon credit approval by Vista. You represent that (i) you are financially able to meet your obligations, (ii) you are not aware of any situation or condition that would alter your financial abilities, and (iii) you have not previously filed or do not plan to file any bankruptcy proceedings. You understand and agree that this Agreement may be terminated if your account has an existing past due balance from a previous CTA, becomes delinquent or past due, or if Vista receives poor credit history from a credit-reporting agency. Vista may request a deposit if your credit is unsatisfactory. If an advance deposit is required, Public Utilities Code Section 985(g) provides that the deposit amount cannot be more than your estimated bill for a three-month period.

Force Majeure: Vista is not responsible for Acts of God or events of Force Majeure on your utility's delivery system and the pipelines serving it. Such events, if they occur, can interrupt your service. In case of emergency or suspected leak, you should call your utility. Vista makes no representations or warranties, either expressed or implied, with regard to the provision of natural gas contemplated by this Agreement. Vista disclaims any and all warranties, express or implied, including but not limited to, warranties of merchantability, fitness for a particular use or purpose, or arising out of any course of dealing or usage of trade.

Change of Agreement: Vista reserves the right to terminate this Agreement at any time upon providing fifteen (15) days prior written notice if there is a change to any law, rule, or regulation associated with your utility's CTA program that prevents or materially limits Vista's ability to economically carry out the terms of this Agreement, or if there is any material change in your natural gas consumption pattern or in the information we have about your historical usage. At its discretion and as an alternative to termination of the Agreement, Vista may change your price to preserve its ability to economically carry out the terms of this Agreement. Any change to this Agreement made under this provision, other than a change in price pursuant to proper notice, requires mutual affirmative consent in the form of an executed agreement, a recorded telephone call, or an electronic signature in order for any such change to become effective.

Transfer of Service/Assignment: In the event of the sale of a property that is currently served by Vista, this Agreement may be assigned to the new owner upon prior written approval by your utility and Vista. Vista's consent may be withheld in Vista's sole discretion. You are liable for all costs already incurred related to the Agreement prior to any such approved assignment. The terms

of your Agreement may also be applied to you at your new property if the new property is in the same utility service area, if approved in advance by Vista. You cannot assign this Agreement without Vista's prior consent, which consent may be withheld in Vista's sole discretion. Vista reserves the right to transfer this Agreement to another party.

Laws, Rules and Regulations: These Terms and Conditions and the activities of the parties (you and Vista) hereunder shall be subject to the applicable federal and state laws and the applicable orders, laws, rules and regulations of any state or federal authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver by either party of any right to question or contest any such order, law, rule or regulation. The parties shall be entitled to regard all such laws, rules, regulations and orders as valid and may act in accordance therewith until such time as the same may be invalidated by final judgment in a court of competent jurisdiction.

Limitation of Liability: You will be deemed to be in exclusive control of the natural gas after receipt at the delivery point(s). VISTA WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES), WHETHER BY STATUTE, IN CONTRACT OR TORT, EVEN IF THE RESULT OF NEGLIGENCE (WHETHER SOLE, JOINT, CONCURENT, ACTIVE OR PASSIVE). ALL OTHER LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY. YOU HERBY WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY.

Mandatory Arbitration: Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise ("Claim"), arising out of or relating to this Agreement or the relationships among the parties hereto shall be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association ("AAA"), under the AAA Commercial or Consumer rules, as applicable, in effect at the time the Claim is filed ("AAA Rules"). Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any such suit may be brought only in Federal District Court for the District, or if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver".

Class Action Waiver: Any Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any entity or person not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

Complaint Procedures

Different complaint procedures apply depending upon whom you have a dispute with. If you have a billing-related dispute concerning the gas utility's charges, or a dispute regarding the manner in which the gas is distributed to your residence, an informal complaint may be submitted to the California Public Utilities Commission (CPUC) for an attempt at resolving the matter. If the matter is not resolved, you may file a formal complaint with the CPUC if you meet the conditions set forth in Article 4 of the CPUC's Rules of Practice and Procedure.

If you have a billing-related or service-related dispute with us, the CTA, you may complain to the CPUC. The CPUC shall first attempt to informally resolve your complaint through the informal complaint process. If the matter cannot be resolved satisfactorily, you may file a formal complaint against us with the CPUC or file a complaint against us in civil court.

If you file or submit a complaint with the CPUC against a gas utility or a CTA, you gas service cannot be disconnected if you deposit the disputed amount with the CPUC in an escrow account. If you have any questions regarding the CPUC complaint procedures, you may contact the Consumer Affairs Branch (CAB) or the Public Advisor's Office of the CPUC. The CAB may be reached at 1-800 649-7570, and the Public Advisor's Office may be reached at 1-866-849-8390.

Notice of Your Right to Cancel

You have the right to cancel your contract for gas service that you have entered into with us. For a residential gas customer, you have the right to cancel the contract until midnight of the thirtieth day after the date of the first bill for CTA service has been issued to you the customer.

For a core commercial gas customer, you have the right to cancel the contract until midnight of the third business day after the day on which you the customer signs an agreement or offer to purchase from us, the CTA. Core commercial gas customers can also waive their right to cancel under Public Utilities Code §989.1(a) by signing a separate written waiver of your right to cancel and returning that waiver to the CTA. This separate written waiver must be presented to you at the time you sign the agreement or offer to purchase from us, the CTA.

To cancel the CTA contract with us, you may send us, at the address listed on page 1 of this notice, written notice of your cancellation within the time period specified above. You may also exercise your right to cancel by contacting us at the telephone number listed on page 1 of this notice, and informing us that you want to cancel the CTA contract with us. No fee or penalty may be imposed against you for exercising your right to cancel within the applicable time periods.

Your Rights If You Are Denied Service By The CTA

If you are offered gas service by us, the CTA, and we decline to provide the service to you, you have the right to request that we provide you with a written reason as to why we declined to provide you with service. Your request for the written reason must be made within 35 days from the date that we declined to provide service to you. We then have 30 days from your request to provide you with the written reason as to why we declined to provide service to you. If you disagree with the written reason as to why we declined to provide service to you, you may submit an informal complaint to the CPUC to see if the CPUC can informally resolve this issue.