

Discount Power® PUCT License #10161

COMMERCIAL TERMS OF SERVICE

Service

This Agreement, sets out the Terms and conditions for the purchase of electricity between Discount Power® PUCT No. 10161 ("Seller") and the Customer ("Buyer") facilities (identified by the ESIID number) listed on the "Commercial Pricing Agreement". Seller will invoice Buyer on a monthly basis for the electricity supply ("Energy Charges"), transmission and distribution costs charged by the Transmission and Distribution Service Provider ("TDSP") and appropriate taxes. Buyer agrees to accept service from Seller for the term of the agreement and to pay the associated invoices.

1. Transmission and Distribution Service Provider ("TDSP") Charges: All charges invoiced to Seller for Buyer's facilities by the local distribution utility. These charges are regulated and approved by the Public Utility Commission of Texas ("PUCT"). The tariffs which explain these charges can be found at: www.puc.state.tx.us

2. Taxes: Any federal, state, or local taxes associated with the sale electricity. These taxes include the state Gross Receipts tax and the PUCT Assessment fees. If the Buyer is exempt from sales tax and provides Seller with the appropriate sales tax exemption certificates, Buyer will not be invoiced for sales tax.

Following the completion of the agreement term, Seller may allow this contract to continue at the same price on a month-to-month basis, subject to adjustment for prevailing market conditions. Seller will notify Buyer of any price adjustments required thirty (30) days prior to the end of the agreement term.

Billing and Payment

Buyer will be billed on a monthly basis. The service period associated with each invoice will be approximately thirty (30) days and will be based on the TDSP meter read cycle for the Buyer's facilities. If actual charges are not available to the seller at the time of preparation of your invoice, seller reserves the right to bill you on good faith estimates of charges for the month. If estimated charges are included on your invoice, they shall be identified as such and shall be reconciled against actual charges once seller receives such actual charges.

Payment is due upon receipt. Payment will be considered past due if not received by Seller within sixteen (16) days following the date the bill was issued. Buyer may be charged a five percent (5%) penalty on the previous month's past due balance.

Deposits

Seller reserves the right to request a deposit prior to submitting the switch of Buyer's facilities. Buyer reserves the right to refuse payment of the deposit and cancel the agreement without penalty, prior to the submission of the switch by Seller. If Buyer is delinquent in payment more than once in a twelve (12) month period or more than twenty-five (25) days late in paying any one invoice, Seller may request a deposit. The deposit will not exceed one sixth of the estimated annual billings and will accrue interest at the rate specified by the PUCT if held for more than thirty (30) days. Any deposit will be returned following the closing of the Buyer's accounts and the payment of any outstanding invoices.

Credit

Seller may check your personal and/or commercial credit before enrolling you as a customer, and may require a deposit. This deposit, upon termination of the contract, less any money owed, will be returned to the customer.

Disconnection for Non-Payment

If the Buyer fails to remit payment to the Seller in accordance with the Billing and Payment provisions, Seller may instruct the TDSP to disconnect the electric service to Buyer's facilities. Buyer will be liable to Seller for all billed amounts and charges associated with the disconnection of service for nonpayment and reconnection. Prior to disconnecting electric service, Seller will provide Buyer proper notification and an opportunity to avoid disconnection by paying outstanding invoices. Buyer may be charged a \$5.00 Disconnect Notice fee and if disconnection occurs, Seller will invoice Buyer a Reconnection Fee as charged by the local Transmission and Distribution Service Provider (TDSP).

Early Termination

Should Buyer switch the facilities listed on the Pricing Agreement away from Seller prior to end of the agreement term, Seller may charge an early termination penalty. The early termination penalty may also be charged if Seller cancels this agreement due to Buyer's failure to remit payment in accordance with the Billing and Payment provisions. This early termination penalty will be twenty-five percent (25%) of the remaining deliveries, based on Buyer's average monthly usage and the price and term set forth on the Pricing Agreement.

Additional Charges and Fees

Should Seller, due to Buyer's delinquency, be required to send a past due collections letter, Buyer may be charged a thirty-five dollar (\$35) collection fee. There will be a twenty nine dollar (\$29) charge for any returned item. Seller will charge Buyer twenty dollars (\$20) for special account summaries created at Buyer's request.

Should Seller ultimately be required to use a third-party collections agency to collect past due balances, there will be a nineteen percent (19%) collections surcharge added to the amount due. If Buyer's refusal to pay legitimate invoices requires Seller to take legal action and Seller's claims are upheld, Buyer agrees to pay Seller's reasonable legal costs associated with this action.

Material Changes

Seller will provide buyer with advance written notice of any material change in these

Terms of Service, either in your bill or separate mailing. The changes shall be in effect on the date stated in the notice unless you cancel your Agreement. You may cancel your Agreement no later than 10 calendar days before the effective date of the material change.

Regulatory Change

The price and terms of this agreement are based on the laws, rules, tariffs and protocols in place at the time of execution. If, during the term of this agreement, the PUCT, ERCOT, or any other government body or agency with jurisdiction over the Texas electricity market approves changes which impact the cost to provide electricity service to the Buyer's facilities, Seller reserves the right to adjust the price and terms accordingly. Any changes will be made on 30 days notice.

Force Majeure

Seller will make commercially reasonable efforts to supply electricity, but does not guarantee a continuous supply of electricity. Buyer acknowledges that certain events outside of Seller's control (Force Majeure events) may result in service interruption. In these instances Seller shall not be held liable. Buyer agrees that Seller shall not be held liable for Force Majeure events including, but not limited to: Acts of God, acts of any court or government authority, accidents, strikes, labor disputes, required maintenance work, inability to access the local distribution utility system, nonperformance by the local distribution utility, or any cause beyond Seller's control.

Limitations of Liability

Liabilities not excused by reason of Force Majeure or otherwise shall be limited to actual direct damages and the sums provided to be paid in this contract. Neither Seller nor the Buyer shall be liable to the other for consequential, incidental, punitive, exemplary or indirect damages. These limitations apply without regard to the cause of any liability or damage.

Discrimination

Seller cannot deny service or require a prepayment or deposit for service based on a customer's race, creed, color, national origin, ancestry, marital status, sex, lawful source of income, level of income, disability, familial status, location of customer in an economically-distressed geographic area or qualification for low income or energy efficiency services.

Representations and Warranties

The electricity sold under this agreement will meet the quality standards of the applicable local TDSP and will be supplied from a variety of sources. Seller makes no representations or warranties other than those expressly set forth in this agreement, and expressly disclaims all other warranties, expressed or implied, including warranties of merchantability and fitness for a particular purpose.

Assignment

Buyer may not assign or transfer this Agreement, in whole or in part, or any of your rights or obligations hereunder without prior written consent of the Seller.

Seller may assign this Agreement without buyer's consent.

Refusal or Cancellation of Service

Seller may refuse to provide service to Buyer for one or more of the reasons specified in Section 25.477 of the PUCT Substantive Rules. If service is denied, you will be notified of the Reason(s). Seller or Buyer may cancel this Agreement without any penalty or fee within three (3) federal business days after the execution of this agreement.

Entire Agreement

This Agreement, together with the Commercial Pricing Agreement, contains the entire understanding of the parties with respect to the Seller's supply of electricity to the Buyer. There are no promises, covenants or understandings other than those expressly set forth in these executed documents. Discount Power® reserves the right to change or terminate this Agreement at any time, upon a 30 day notice to the buyer, in the event of any (i) legislative, (ii) regulatory (iii) wholesale market, (iv) Electric Reliability Council of Texas ("ERCOT") or (v) electric distribution utility tariff changes that effect Seller's ability to provide service to the Buyer under this Agreement. Buyer may cancel this agreement without penalty in the event Seller can no longer provide service.

Responsibilities of the TDSP, Service Outages

The TDSP maintains responsibility for the reliability of the electricity supply, as set forth in the TDSP tariffs approved by the PUCT. The TDSP is responsible for distribution lines, meters and meter data, and the quality of power entering the Buyer's facilities. Buyer will receive TDSP services at the same prices and terms from any Retail Electric Provider, including the affiliate of the incumbent utility.

To report a service outage, please call your TDSP:

Oncor/TXU:	1.888.313.4747
AEP/CP&L/AITU:	1.866.223.8508
Centerpoint/Reliant:	1.800.332.7143
TNMP:	1.888.866.7456
Sharyland:	1.956.668.9551

Discount Power Contact Information:

Customer Service:	281-207-1284	877-909-Power (7693)
Fax:		281-781-2299
Internet Address:		info@DiscountPower.biz
Mailing Address:		19901 Southwest Freeway, Suite # 212 Sugar Land, TX 77479