



South Bay Energy Corp. (ESCO)
 700 Veterans Memorial Highway, Suite 210
 Hauppauge, NY 11788

Toll Free: 877-724-9010
 Fax: 631-724-9011

Sales Agreement – Residential

Customer: _____ **Date:** _____

Address: _____ **Gas Utility (LDC):** _____

_____ **Electric Utility (LDC):** _____

Contact: _____ **Telephone:** _____

Last 4 SS#: _____ **Security Question:** _____

Gas Account #: _____ **Sales Representative:** _____

Electric Account #: _____ **Signature:** _____

Term of Agreement: From: _____ **To:** _____

CUSTOMER DISCLOSURE STATEMENT

Product You Wish To Enroll	Natural Gas <input type="checkbox"/>	Electricity <input type="checkbox"/>	Both <input type="checkbox"/>
Price: Fixed or Variable	Fixed: \$_____/KWH \$_____/Therm	Variable: Variable Plan \$_____	
Process Customer May Use to Rescind Agreement Without Penalty	Residential customer may rescind by calling toll free number within 3 business days of receipt of the sales agreement or by sending 30 days' written notice prior to the expiration of the contract with no termination fee.		
Amount of Early Termination Fee and Method of Calculation	Fixed: Termination fee not to exceed (a) One hundred dollars for any contract with a remaining term of less than twelve months; (b) two hundred dollars for any contract with a remaining term of twelve months or more Variable: None		
Late Payment Fee/Calculation	South Bay Energy Corp. does not charge any late payment fees. You are billed by your utility.		
Renewal	Upon completion of the Initial Term, this Agreement will renew on a month to month basis unless terminated by either party.		
Guaranteed Savings	ESCO does not offer price matching to utilities. ESCO does not offer a guaranteed savings.		

Variable Pricing: Price changes each month reflecting the cost of energy, capacity, settlement, ancillaries, related transmission and distribution charges and other market-related factors; plus all applicable taxes, fees, charges, costs, expenses and margins. If a specific index is being used then that index and an agreed upon adder (margin) will be written in the Customer Disclosure Box above.

Agreement to Sell and Purchase Energy: This is an agreement between South Bay Energy Corp. (ESCO) and the undersigned customer (Customer) under which Customer shall initiate energy service (natural gas and/or electricity) and begin enrollment with ESCO (the "Agreement"). Subject to the terms and conditions of this Agreement, ESCO agrees to sell and deliver, and Customer agrees to purchase and accept the quantity of energy, as estimated by ESCO, necessary to meet Customer's requirements based upon consumption data obtained by ESCO or the delivery schedule of the Local Distribution Company (the "LDC"). The amount of energy delivered under this Agreement is subject to change based upon data reflecting Customer's consumption obtained by ESCO or the LDC's delivery schedule.

Parties Bound: This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

IN WITNESS WHEREOF, Customer and ESCO have caused this Agreement to be executed as of the date first set forth above.

For: _____
 South Bay Energy

 Customer's Printed Name and Date

By: _____
 Signature

 Customer's Signature

TERM: This Agreement shall commence as of the date Customer's notice regarding the change of Customer's provider to ESCO is deemed effective by the LDC, and shall continue for ___ months thereafter (the "Initial Term"). Upon completion of the Initial Term customer shall receive written notification from ESCO of the renewal terms at least 30 days and no more than 60 days prior to the renewal date, apprising Customer of any proposed changes in the terms and conditions of this Agreement and of the Customer's right to renew, terminate or renegotiate this Agreement. If you wish to reject the renewal of this Agreement without incurring an early cancellation fee, if any, you will have three (3) business days from the day you receive the first billing statement of your Renewal Term to cancel by calling us at 877-724-9010. When receiving service on a month-to-month basis, the Customer may provide written notice of termination or call ESCO at 877-724-9010 or call their delivery company to terminate the agreement. ESCO may terminate this Agreement by providing 30 days' written notice to the Customer.

Pricing, Billing, and Termination: Unless otherwise agreed to in writing, the price for all energy sold under this Agreement shall be a [] variable price established each month by ESCO based upon market conditions or [] a fixed price of _____, plus, in each case, all applicable taxes. ESCO will invoice Customer monthly for energy delivered under this Agreement, as measured by the LDC, and Customer will pay each invoice in full within 20 days of the invoice date or be subject to a late payment charge of 1.5% per month. Customer may receive a single bill for both commodity and delivery costs from either ESCO or the LDC, or each of the LDC and ESCO may invoice Customer separately. Customer payments remitted in response to a consolidated bill shall be pro-rated (when so required) in accordance with procedures adopted by the New York State Department of Public Service (the "DPS"). In the event of failure to remit payment when due, ESCO may terminate commodity service and seek suspension of distribution service in conformance with the Home Energy Fair Practices Act ("HEFPA"). Notwithstanding the foregoing, for all residential customers and commercial customers solicited through door-to-door marketing, the early termination fee will be no greater than \$100 if the remaining term is less than 12 months and \$200 if the remaining term is 12 months or more. No fee will be charged for any returned payments.

Assignment: Customer may not assign its interests in and delegate its obligations under this Agreement without the express written consent of ESCO. ESCO may sell, transfer, pledge, or assign the accounts receivable, revenues, or proceeds hereof, in connection with any financing agreement, purchase of accounts receivables program or billing services agreement, and may assign this Agreement and the rights and obligations there under, to another energy supplier, energy services company or other entity as authorized by the DPS.

Information Release Authorization: Customer authorizes ESCO to obtain and review information regarding Customer's credit history from credit reporting agencies and the following information from the LDC: consumption history; billing determinants; utility account number; credit information; public assistance status; existence of medical emergencies, status as to whether Customer has a medical emergency, is human needs, elderly, blind or disabled and data applicable to cold weather periods under PSL § 32 (3); and information pertaining to PSL § 33, tax status and eligibility for economic development or other incentives. This information may be used by ESCO to determine whether it will commence and/or continue to provide energy supply service to Customer and will not be disclosed to a third party unless required by law. Customer's execution of this Agreement shall constitute authorization for the release of this information to ESCO. This authorization will remain in effect during the Initial Term and any Renewal Term. Customer may rescind this authorization at any time by providing written notice thereof to ESCO or by calling ESCO at 1-877-9010. ESCO reserves the right to cancel this Agreement in the event Customer rescinds the authorization.

Consumer Protections: The services provided by ESCO to Customer are governed by the terms and conditions of this Agreement. ESCO will provide at least 15 days' notice prior to the cancellation of service to Customer. Customer may obtain additional information by contacting ESCO at 877-724-9010 or 1-631-724-9010 or the DPS at 1-888-697-7728, or by writing to the DPS at: New York State Department of Public Service, Office of Consumer Services, Three Empire State Plaza, Albany, New York 12223, or through its website at www.dps.ny.gov.

Cancellation: Customer may rescind this Agreement within 3 business days after the signing or receipt of this Agreement, whichever comes first, by contacting ESCO at 1877-724-9010 or in writing. Customer is liable for all ESCO charges until Customer returns to the LDC or goes to another supplier. A final bill will be rendered within twenty (20) days after the final scheduled meter reading or if access is unavailable, an estimate of consumption will be used in the final bill, which will be trued-up subsequent to the final meter reading.

Agency: Customer hereby appoints ESCO as agent for the purposes of (i) acquiring the supplies necessary to meet Customer's energy needs, and (ii) arranging, contracting for and administering transportation and related services over transmission facilities and those of the LDC needed to deliver energy to the Customer's premises. These services are provided on an arm's length basis and market-based compensation is included in the price noted above.

Title: All energy sold under this Agreement shall be delivered to a location considered the "Point of Delivery", which shall be at the

NY ISO ESCO load bus (located outside of the municipality where Customer resides), and shall constitute the point at which title transfers and the sale occurs. ESCO will indemnify and hold harmless Customer from all taxes, royalties, fees or other charges incurred before title passes with respect to the energy provided hereunder.

Warranty: This Agreement, including applicable attachments, constitutes the entire Agreement between Customer and ESCO. ESCO makes no representations or warranties other than those expressly set forth in this Agreement, and ESCO expressly disclaims all other warranties, express or implied, including merchantability and fitness for a particular use.

Force Majeure: ESCO will make commercially reasonable efforts to provide energy hereunder but ESCO does not guarantee a continuous supply of energy to Customer. Certain causes and events out of the control of ESCO ("Force Majeure Events") may result in interruptions in service. ESCO will not be liable for any such interruptions caused by a Force Majeure Event, and ESCO is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbance, acts of any governmental authority, accidents, strikes, labor disputes or problems, required maintenance work, inability to access the local distribution utility system, non-performance by the LDC (including, but not limited to, a facility outage on its energy distribution lines), changes in laws, rules, or regulations of any governmental authority or any other cause beyond ESCO's control.

Liability: The remedy in any claim or suit by Customer against ESCO will be solely limited to direct actual damages. By entering into this Agreement, Customer waives any right to any other remedy in law or equity. In no event will either ESCO or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

Contact Information: Customer may contact ESCO's Customer Service Center at 1-877-724-9010, Monday through Friday 8:00 a.m. - 5:30 p.m. EST (contact center hours subject to change). Customer may write to ESCO at: South Bay Energy Corp. 700 Veterans Memorial Highway, Suite 210 Hauppauge, NY 11788.

Dispute Resolution: In the event of a residential billing dispute or a disagreement involving ESCO's service hereunder, the parties will use their best efforts to resolve the dispute. Customer should contact ESCO by telephone or in writing as provided above. The dispute or complaint relating to a residential customer may be submitted by either party at any time to the DPS pursuant to its Complaint Handling Procedures ("Procedures") by calling the DPS at 1.800.342.3377 or by writing to the DPS at: New York State Department of Public Service, Office of Consumer Services, Three Empire State Plaza, Albany, New York 12223, or through its website at: <http://www.dps.ny.gov>. Customer must pay the bill in full, except for the specific disputed amount, during the pendency of the dispute.

Choice of Laws: Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of New York without regard to the application of its conflicts of law principles.

Taxes and Laws: Except as otherwise provided in the Agreement or provided by law, all taxes of whatsoever kind, nature and description due and payable with respect to service provided under this Agreement, other than taxes based on ESCO's net income, shall be paid by Customer, and Customer agrees to indemnify ESCO and hold ESCO harmless from and against any and all such taxes. This Agreement is subject to present and future legislation, orders, rules, regulations or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder.

Regulatory Changes: If at some future date there is a change in any law, rule, regulation or pricing structure whereby ESCO is prevented, prohibited or frustrated from carrying out the terms of the Agreement, at its sole discretion ESCO shall have the right to cancel this Agreement on 15 days' notice to Customer.

Renewable Energy: Under South Bay's Renewable Electricity Product, a percentage of the electricity sold is matched with renewable energy certificates ("RECS") generated from renewable or alternative energy sources in the United States which have been qualified as such by a regional or state RPS administrator. This renewable percentage is over and above the minimum renewable energy requirements for this state. To view the historical percentage of electricity that is matched with RECs, please visit our website at www.southbayenergy.com

Emergency Service Contacts: In the event of a gas leak, electric power outage or other emergency, please use the following toll-free numbers to directly contact your utility:

Orange & Rockland Electric	1-877-434-4100	Orange & Rockland Gas	1-800-533-5325
National Grid	1-800-892-2345	National Fuel Gas	1-800-444-3130
Consolidated Edison	1-800-752-6633	NYSEG	1-800-572-1131

New York State Public Service Commission

Your Rights as an Energy Services Company Consumer

ESCO Consumers Bill of Rights

Customers can purchase energy from an Energy Services Company (ESCO) or from a traditional utility. If you choose to purchase energy from an ESCO you are entitled to:

- A clear description of the services offered by the ESCO.
- Receive energy delivery and 24 hour emergency services from your utility company.
- Clear procedures for switching energy suppliers, including information about the enrollment process.
- Disclosure, in simple and clear language, of the terms and conditions of the agreement between you and the ESCO including:
 - price and all variable charges or fees;
 - length of the agreement;
 - terms for renewal of the agreement;
 - cancellation process and any early termination fees, which are limited by law; and
 - conditions, if any, under which the ESCO guarantees cost savings.
- Rescind an agreement with an ESCO within three days of receiving the agreement, if you are a residential customer.
- A description of how pre-payment agreements work, if offered.
- Notice from the ESCO, no less than thirty days prior to the contract renewal date, of the renewal terms and the options you have as a customer.
- A fair and timely complaint resolution process.
- Provision of any written documents (contracts, marketing materials, and this ESCO Consumer Bill of Rights), in the same language used to enroll you as a customer.

If you are a residential customer you are also entitled to the rights and protections of the Home Energy Fair Practices Act (HEFPA) which requires that all utility customers be treated fairly with regard to application for service, customer billing, and complaint procedures. For more information go to <http://www.dps.ny.gov/resright.html>.

ESCOs that do not assure these consumer rights could lose their eligibility to provide service in New York. Please report any complaints to the Department of Public Service at 1-800-342-3377 (8:30 am – 4:00 pm), by mail at Office of Consumer Services, NYS Department of Public Service, 3 Empire State Plaza, Albany, NY 12223, or online at <http://www.dps.ny.gov>.

You can find more information about your energy alternatives by visiting: www.askpsc.com

