

YOUR RIGHTS AS A CUSTOMER

This document summarizes Your Rights as a Customer ("YRAC"). The YRAC is based on customer protection rules adopted by the Public Utility Commission of Texas ("PUCT") that apply to all retail electric providers ("REPs").

You may view these rules at:

<http://www.puc.texas.gov/agency/ruleslaws/subrules/electric/Electric.aspx>.

Veteran Energy's contact information, as well as contact information for the PUCT and your transmission and distribution utility ("TDU"), is located at the end of this document.

Obtaining Service

You have the right to choose your REP – A retail electric provider ("REP") must obtain your verifiable authorization before switching your electric service. If you believe your electric service has been switched without your authorization, which is called "slamming," you should contact your chosen REP and request assistance. The affected REPs, applicable TDU and registration agent will work together to return you to your chosen REP in accordance with the market process approved by the PUCT and to ensure that you pay no more than you would have paid if you hadn't been switched without your authorization.

Billing Issues

You have the right to dispute unauthorized charges – Before any charges for a new product or service are included on your electric bill or deducted from your prepaid account balance, your REP must inform you of the product or service, all associated charges, and how these charges will appear on your electric bill or be charged to your prepaid account balance, as well as obtain your consent to accept the product or service. If you believe your electric bill includes unauthorized charges or your prepaid account balance reflects unauthorized charges, which is called "cramming," you may contact your REP to dispute these charges and may file a complaint with the PUCT.

Your REP cannot seek to disconnect your electric service for nonpayment of an unauthorized charge or file an unfavorable credit report against you for disputed unauthorized charges, unless the dispute is ultimately resolved against you. If the charges are determined to be unauthorized, your REP will stop charging you for the unauthorized product or service, remove the unauthorized charges from your bill or prepaid account, and refund or credit all money you have paid for the charges within 45 days. If charges are not refunded or credited within 3 billing cycles, interest shall be paid to you at an annual rate established by the

PUCT on the amount of any unauthorized charge until it is refunded or credited. You may request all billing records or, if applicable, summary of usage and payment records related to the unauthorized charges that are under the REP's control within 15 business days after the date the unauthorized charge is removed from your bill or prepaid account. Your REP will not re-bill or re-charge you for any charges determined to be unauthorized.

If you are on an electric service product other than a prepaid electric service product and are unable to pay your bill on time, you may have the right to a short-term payment arrangement or a deferred payment plan – If you cannot pay your bill, please call your REP immediately. Your REP may offer you a short-term payment arrangement that allows you to pay your bill after your due date, but before your next bill is due. In addition, you may qualify for a "deferred payment plan". A deferred payment plan allows a customer to pay an outstanding bill in installments beyond the due date of the next bill. The REP may require an initial payment to initiate the plan. All REPs must offer customers deferred payment plans upon request for bills that become due during an extreme weather emergency, during a state of disaster declared by the governor to customers in the area covered by the declaration, and to customers who have been under-billed in the amount of \$50 or more with limited exceptions. Additionally, deferred payment plans shall be offered to certain residential customers for bills that become due during July, August, and September and if certain conditions apply, January and February.

If you are on a prepaid electric service product your REP must offer you a deferred payment plan upon request if your prepaid account balance reflects a negative balance of \$50 or more during an extreme weather emergency, if you were underbilled by \$50 or more for reasons other than theft of service, or if you are in an area that has been declared a state of disaster in which the PUCT has directed deferred payment plans be offered.

Any deferred payment plan may include a 5% penalty for late payment. Your REP may apply a switch-hold to your account while you are on a deferred payment plan. In addition, if you do not fulfill the terms of the deferred payment plan, your REP may disconnect your service as discussed further below. For additional details on deferred payment plans, please see your Terms of Service Agreement or contact your REP.

If you are on an electric service product other than a prepaid electric service product you may have the right to receive a level or average payment plan – REPs must offer level or average payment plans to customers who are not currently delinquent in payment to the REP. Additionally, level or average payment plans shall be offered to certain residential customers for bills that become due during July, August, and September and if certain conditions apply, January and February. Your REP may apply a switch-hold to your account if you are delinquent in payment when the level or average payment plan is established. In addition, if you do not fulfill the terms of the level or average payment plan, your REP may disconnect your service as discussed further below. For additional details on level or average payment plans, please see your Terms of Service Agreement or contact your REP.

If you are an economically disadvantaged residential customer, you may have the right to bill payment assistance or a discount – If a residential customer contacts their REP and indicates an inability to pay, the REP must inform the customer of all applicable payment options and payment assistance programs that are offered by or available from the REP. An electric customer who receives food stamps, Medicaid, Temporary Assistance for Needy Families ("TANF"), or Supplemental Security Income ("SSI") from the Texas Health and Human Services Commission ("HHSC"); who is eligible for certain federal benefits available for veterans; or whose household income is not more than 150% of the federal poverty guidelines or 60% of the State median income may qualify for energy assistance from the Texas Department of Housing and Community Affairs ("TDHCA"). In addition, you may qualify for additional discounts that Veteran Energy voluntarily offers to low-income customers. Please contact us at the contact information below if you believe you qualify for a discount. Please note, however, that not all federal, state or local agencies will provide aid to customers receiving electricity under a prepaid product.

Switch-Holds

Your REP may apply a switch-hold to your account if you enter into certain payment arrangements or if there is evidence that your meter has been tampered with – A switch-hold means that you will not be able to buy electricity from other companies until you have satisfied the terms of your payment arrangement or, in cases of meter tampering, have paid all applicable charges and backbilling. While a switch-hold applies, if you are disconnected for not paying, you will need to pay Veteran Energy to get your electricity turned back on.

Meter Reading and Testing

You have the right to find out if your meter is working properly – Please contact your REP for information about how to read your meter. You also have the right to request a meter test. Your REP may make this request to your TDU on your behalf. If a test is performed more than once in a four- year period, and the meter is determined to be functioning properly, then you may be charged a fee for the additional meter test(s) at the rate approved for your TDU. The TDU or REP will advise you of the test results.

Disconnection of Service

If you are on an electric service product other than a prepaid electric service product, in most circumstances, you have the right to receive 10-days notice before being disconnected – If you do not pay your electric bill by the due date, your REP may request that the TDU "disconnect" your electric service, after the expiration of a required 10-day notice period. The 10-day notice period begins once your REP issues you a written Disconnection Notice. This notice must be mailed to you separately (or hand-delivered) no earlier than the first day after the date your bill is due. The disconnection date must be 10 days or more from the date the notice is issued and may not fall on a holiday or weekend (or the day preceding) unless the REP's personnel are available to take payments and service can be reconnected. Your REP may not disconnect your service before the first day after the disconnection date stated in the notice.

A home that has a resident that has been designated as a Critical Care/Chronic Condition Residential Customer shall receive a written disconnection notice not later than 21 days prior to the date service would be disconnected. Such notice will be sent to both the designated person and the secondary contact. (See Specialized Customer Services section for more details on designation qualifications).

In addition to disconnection of service due to your failure to pay your electric bill, your REP may be allowed to authorize disconnection for any of the reasons listed below:

- failure to make a deferred payment arrangement by the date of disconnection or comply with the terms of that arrangement or other payment agreement;
- using service in a manner that interferes with the service of others or the operation of nonstandard equipment;
- failure to pay a deposit required by the REP; or
- failure of a guarantor to pay the amount guaranteed when the REP has a written agreement, signed by the guarantor, which allows for disconnection of the guarantor's service.

If you are on a prepaid electric service product, you will receive a low account balance warning at least 1 day and not more than 7 days before your account's current balance is estimated to fall below the disconnection balance and you are subject to a disconnection. Additionally, your REP may not initiate a disconnection for your failure to maintain a current balance above the disconnection balance on a weekend day, during any period during which your specified mechanisms for payment are not available or our customer service center is not operating, or during an extreme weather emergency. Your REP also may not initiate disconnection of service if you receive a commitment from an energy assistance agency to establish a current balance above the disconnection balance.

In addition to disconnection for failure to maintain a current balance above the disconnection balance, if you are on a prepaid electric service product, your REP, following proper notice, may be allowed to authorize disconnection if you fail to comply with the terms of a deferred payment plan.

However, in some instances, your REP is not required to provide you with notice before you are disconnected – Under certain circumstances, such as the presence of a dangerous condition, theft of service, unauthorized service, or equipment tampering, the PUCT allows your REP to authorize your TDU to disconnect your electric service without prior notice to you.

Your REP may not authorize disconnection of your electric service for any of the following reasons:

- failure to pay for electric service by a previous occupant of the premise if that occupant is not of the same household or business;
- failure to pay any charge unrelated to electric service;
- failure to pay a different type or class of electric service not included on the account's bill when service was initiated;
- failure to pay under-billed charges that occurred more than 6 months earlier (except theft of service);
- failure to pay any disputed charges until your REP or the PUCT determines the accuracy of the charges and you have been notified of this determination; or
- failure to pay an estimated bill unless the estimated bill is part of a pre-approved meter-reading program or in the event the TDU is unable to read the meter due to circumstances beyond its control (not applicable to prepaid service).

Additionally, your REP may not authorize disconnection of your electric service:

- for non-payment during an extreme weather emergency;

- **for residential customers**, if the REP receives notification by the final due date stated on the disconnection notice that an energy assistance provider will be forwarding sufficient payment on your account, and you have paid or made payment arrangements to pay any outstanding debt not covered by the energy assistance provider's payment; or
- **for residential customers designated as Critical Care**, for non-payment, if you establish that disconnection of service will cause some person at the residence to become seriously ill or more seriously ill. Each time you seek to avoid disconnection for such reason, you shall accomplish each of the following: 1) have the ill person's attending physician contact the REP to confirm that the customer is a Critical Care Residential Customer, 2) have the ill person's attending physician submit a written statement to the REP confirming that the customer is a Critical Care Residential Customer, and 3) enter into a deferred payment plan with the REP. This prohibition from disconnection for a Critical Care Residential Customer shall last for 63 days from the issuance of the bill for electric service (or a shorter period agreed upon by you, your secondary contact, or the attending physician and the REP).

If your service has been disconnected, you may have the right to have it restored – If your service has been disconnected by your REP for non- payment, your REP will, upon your satisfactory correction of the reasons for the disconnection, notify your TDU to reconnect your service. If you are on a prepaid electric service product we will send a reconnect order to your TDU once you have restored your current balance to a level at or above the connection balance, which will require you to pay off any negative balance and all applicable TDU fees. If your service was disconnected due to a dangerous situation, your service will be reconnected once you demonstrate to your REP that you have corrected the dangerous situation.

Disputes With Your REP

You have the right to have your complaints taken seriously – Please contact your REP if you have specific comments, questions or complaints. Upon receiving your complaint, your REP must investigate and notify you of the results within 21 days. If you are dissatisfied with the results of the investigation, you may request a supervisory review, if available. Your REP must advise you of the results of the supervisory review within 10 business days of your request. If you are dissatisfied with the results of the investigation or supervisory review, you may file a complaint with the PUCT or the Office of the Attorney General, Consumer Protection Division. Please include your name and account number, as well as an explanation of the facts and the resolution you desire in your complaint. While an informal complaint

involving a billing dispute is pending at the PUCT, your REP may not initiate collection activities or disconnection activities or report the delinquency to a consumer-reporting agency with respect to the disputed portion of the bill. However, after appropriate notice, your REP may disconnect your service for non-payment of any undisputed portion of the bill.

Specialized Customer Services

You have the right to receive certain information in English, Spanish, or the language in which you were initially solicited – You may request to receive information from your REP in Spanish, or any language in which you were initially solicited. This includes the Terms of Service Agreement, Electricity Facts Label, Prepaid Disclosure Statement (if you are on a prepaid electric service product), bills and bill notices, information on new electric services, discount programs, promotions, and access to customer assistance. You will receive this YRAC and disconnection notices in English and Spanish, or English and your designated language, if you have designated a language other than Spanish and were originally solicited in that language.

Critical Care or Chronic Condition Residential Customer - You have the right to apply for Critical Care Residential Customer or Chronic Condition Residential Customer designation. Please contact your REP of record to receive a copy of the Application for Chronic Condition or Critical Care Residential Customer Status form. Your local TDU processes the application and makes a determination of eligibility. Your TDU will also send you a renewal application prior to the expiration of your designation.

Qualification as a Chronic Condition or Critical Care Residential Customer does not relieve the customer of the obligation to pay the REP or the TDU for services rendered. However, a Critical Care or Chronic Condition Residential Customer who needs payment assistance is encouraged to contact their REP immediately regarding possible deferred payment options or other assistance that may be offered by the REP.

If you qualify as a Chronic Condition or Critical Care Residential Customer, you may have the right to qualify for special protections – A Chronic Condition Residential Customer is a residential customer who has a person permanently residing at the home who has been diagnosed by a physician as having a serious medical condition that requires an electric-powered medical device or electric heating or cooling to prevent impairment of a major life function through a significant deterioration or exacerbation of the person's medical condition. If the serious medical condition is diagnosed or re-diagnosed by a physician as a life-long condition, the designation is effective for the shorter of one year or

until such time as the person with the medical condition no longer resides at the home. Otherwise, the designation or re-designation is effective for 90 days.

A Critical Care Residential Customer is a residential customer who has a person permanently residing at the home who has been diagnosed by a physician as being dependent upon an electric-powered medical device to sustain life. This designation or re-designation is effective for two years. Qualification as a Chronic Condition or Critical Care Residential Customer does not relieve the customer of the obligation to pay the REP or the TDU for services rendered. However, a Critical Care or Chronic Condition Residential Customer who needs payment assistance is encouraged to contact their REP immediately regarding possible deferred payment options or other assistance that may be offered by the REP.

If you are on a prepaid electric service product, your REP may not knowingly provide (or will not continue to knowingly provide) prepaid electric service to you if you meet the TDU criteria of a "Critical Care" or "Chronic Condition" residential customer. Qualification as a Chronic Condition or Critical Care residential customer by your TDU does not relieve you of your obligation to pay us or the TDU for services rendered but we will work with you to transition you to another non-prepaid account or REP in a manner that seeks to avoid a service disruption.

Other Protections

You have the right to register for the "Do Not Call List" – The PUCT maintains a "Do Not Call List" of customers who do not want to receive telemarketing calls for electric service. Call toll-free **1-888-309-0600** or visit **www.TexasNoCall.com** or the **PUCT website at www.puc.texas.gov** to subscribe to the **Do Not Call List**.

You have the right to have your personal information kept private – Except as described below, REPs may not release your proprietary customer information to any other person without your consent. This includes your name, address, account number, type or classification of service, historical electricity usage, expected patterns of use, types of facilities used in providing service, individual contract terms and conditions, price, current charges or billing records. This prohibition does not apply to the release of your information under certain circumstances as allowed by PUCT rule, including release to the PUCT, an agent of your REP, consumer reporting agencies, law enforcement agencies, or your TDU. A REP may also share this information with a third party for the purpose of marketing such party's products or services to you after you are provided an opportunity to opt-out of the release of your information. In addition, this

prohibition does not apply to the release of prior historical usage upon request and authorization of a current customer or applicant of a premise. Industrial and commercial customers may contact their REP or TDU and designate that their prior historical usage is competitively sensitive in order to prevent the release of this information.

Outage Information

You have the right to information on how to report an outage – Your REP is responsible for providing you with the telephone number you may use to report outages or other emergencies. These numbers are:

Outages and Emergencies – Residential or Small Business Customers (24 Hours a Day/7 Days a Week)

ONCOR Electric Delivery 1-888-313-4747

CenterPoint Energy 1-800-332-7143 or 713-207-2222

Texas-New Mexico Power 1-888-866-7456

AEP Texas Central Company or AEP Texas North Company 1-866-223-8508

Sharyland Utilities 1-956-668-9551

Nueces 1-800-632-9288

REP Contact Information –

You can reach us at the contact information noted below.

Veteran Energy Company

PO BOX 660361

Dallas, TX 75266-0361

Internet Web Address:

www.VeteranEnergyUSA.com

E-Mail Address: service@VeteranEnergyUSA.com

Veteran Energy Customer Service

Toll-Free: 1-888-367-7470

(Mon – Fri. 7am – 8pm & Sat 8am – 5pm CST)

Fax: 1-866-346-1812

Internet Web Address:

www.VeteranEnergyUSA.com

E-Mail Address: service@VeteranEnergyUSA.com

Public Utility Commission of Texas –

You can reach the PUCT at the contact information noted below.

Consumer Protection Division

P.O. Box 13326, Austin, Texas 78711-3326

Direct: 1-512-936-7120

Toll Free: 1-888-782-8477

Fax: 1-512-936-7003

Hearing & Speech Impaired (TTY): 512-936-7136

Internet Web Address: <http://www.puc.state.tx.us>

E-mail Address: customer@puc.state.tx.us