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COMMERCIAL NATURAL GAS AGREEMENT

BC Owned and Operated

**BCUC License Number: A-21-10
 (The "Agreement")**

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Customer Name (or correct business name) on bill	Terasen Acct #	Premise #	
Service Address	City	<u>B.C.</u> Prov	Postal code
Mailing Address	City	<u>B.C.</u> Prov	Postal code
Contact Name	Primary Phone Number/ Ext #	Fax/Email	

This Agreement, including the "Notice of Appointment of Marketer" form also provided and signed by the Customer, constitutes a binding contract between the Customer and Smart Energy (BC) Ltd. ("Smart Energy") for the delivery of natural gas as specified in this Agreement for the above service address of which the Customer is the owner or occupier (the "Premises").

Term and Gas Cost – For all natural gas supplied to the Premises during the term of this Agreement (the "Term"), the length of which Term is as follows, the Customer agrees to pay the following fixed commodity rate ("Gas Cost"):

Term	Gas Cost (per Gigajoule in Cdn \$)	Expected Term Start / End Date

The Gas Cost above will replace the corresponding amount charged for the cost of gas on the Customer's Terasen Gas (the "Public Utility") bill effective the date on which the Term starts (the "Term Start Date") until and including the date on which the Term ends (the "Term Expiry Date"). All other charges on the Public Utility bill (e.g. Midstream, Delivery charges and taxes etc.) will not be affected by this Agreement and will continue to be charged by the Public Utility. For further clarity, this Agreement simply provides a cost-of-gas alternative for the Customer. Although the expected Term Start Date is set out above, the actual Term Start Date may be delayed up to six (6) months to avoid overlap with any existing Customer contractual commitments.

Early Termination – The Customer may terminate this Agreement before the Term Expiry Date only on the anniversary date, and only upon first paying an early termination charge calculated as of the termination date. The amount of the early termination charge will be equal to the product of: the average number of gigajoules of gas supplied per day over the 12-month period immediately preceding the termination date (or, if the period between the Term Start Date and the termination date is less than 12 months, the average number of gigajoules of gas supplied per day from the Term Start Date to the termination date) *multiplied by* the number of days remaining from the termination date to the Term Expiry Date *multiplied by* the *lesser of* the above Gas Cost (per Gigajoule in Cdn\$) *and* Smart Energy's then posted commercial gas cost (per gigajoule in Cdn\$) rates for commercial customers.

Exclusivity – The Customer agrees that, during the Term, Smart Energy will be the exclusive natural gas supplier for the Premises. Smart Energy agrees to deliver to the Customer all of the natural gas requirements for the Premises, and the Customer agrees that it will not authorize another natural gas supplier to provide natural gas for any of the Premises during the Term.

Renewal – Smart Energy may offer to renew this Agreement (including at a different price and on different terms) by sending a renewal notice not less than 90 days prior to the Term Expiry Date indicating the renewal price and terms on which this Agreement will be renewed. The Customer will have 30 days after receiving the renewal notice either to accept one of the offered renewal prices and terms set out in the renewal notice or to cancel this Agreement by written notice (given in accordance with this Agreement – see following page) to Smart Energy. If the Customer does not cancel this Agreement or choose new terms as offered in the renewal notice within the 30-day period, and if Smart Energy does not provide instructions to Terasen Gas prior to the cutoff date for the applicable renewal date, and if a valid enrolment for the Customer is not received by the Public Utility from another Gas Marketer, this Agreement will be evergreened, with the same fixed price for a 12 month period.

Additional Terms and Conditions – The additional terms and conditions on the following page (the "Additional Terms and Conditions") form part of this Agreement. By signing below, the Customer agrees to be bound by this Agreement, including the Additional Terms and Conditions.

Customer Acknowledgment – The Customer is aware that Smart Energy is an independent gas marketer licensed under the terms and conditions of the Customer Choice / Commodity Unbundling Service overseen by the B.C. Utilities Commission. The Customer acknowledges having read and understood this Agreement (including the Additional Terms and Conditions) in its entirety prior to signing it.

Ten Day Cancellation – The Customer may cancel this Agreement without cost or penalty only by contacting Smart Energy by telephone, facsimile, e-mail or mail within **ten (10) calendar days** after signing this Agreement. After 10 calendar days, the early termination charge applies as outlined above.

Date _____	Smart Energy Customer Representative Signature _____
Signature _____	Smart Energy Customer Representative Name _____
Print Name _____	Customer Representative Number: _____
Title of Signatory _____ I have full authority to bind the Customer.	Verification code: <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>

Additional Terms and Conditions

The Customer represents and warrants that this Agreement has been duly authorized, executed and delivered by the Customer.

Unless otherwise specified, all notices and communications (“Notices”) made in connection with this Agreement will be in writing and may be given by delivering them, sending them by e-mail or facsimile, or sending them by prepaid regular mail to the address, e-mail address or facsimile number of the Customer or Smart Energy (as the case may be) shown on the front page of this Agreement (or as the Customer or Smart Energy may otherwise advise the other by notice in writing in accordance with this provision). For verification purposes, Notices purported to be sent by e-mail by the Customer to Smart Energy will be valid only if sent from the e-mail address of the Customer shown on the front page of this Agreement (or as the Customer may otherwise advise Smart Energy by notice in writing in accordance with this provision). Notices given by delivery will be deemed to have been received on the business day of their delivery. Notices sent by e-mail or facsimile will be deemed to have been received on the business day following the date of transmission. Notices sent by mail will be deemed to have been received 5 days after the date of mailing.

The Customer represents and warrants that the Customer is the owner or occupant of the Premises and as such has the full right and authority to authorize and accept the delivery of all natural gas contracted at the Premises, and the Customer appoints Smart Energy as the Customer’s sole and exclusive supplier, agent and broker to arrange natural gas supply and any related services. The appointment is exclusive, and the Customer understands the risks involved and is willing and able to assume all such risks. The Customer represents and warrants that there are no other supply agreements in respect of the Premises and that the Customer has not and will not modify or revoke the Notice of Appointment as Marketer nor appoint any other supplier or agent during the Term of this Agreement.

For greater certainty, Smart Energy is not responsible, and will not be held liable, for any damage, injury or loss associated with the Public Utility’s natural gas facilities and/or equipment at the Premises or any interruption of service from the Public Utility.

Smart Energy may assign or otherwise transfer this Agreement or any rights and obligations under this Agreement to other licensed gas marketers without the Customer’s consent or notification. In the event that Smart Energy assigns or otherwise transfers this Agreement to a new natural gas marketer or marketers, Smart Energy will be automatically released from all of its obligations and liabilities under this Agreement. Within 30 days after Smart Energy’s assignment or other transfer of this Agreement, Smart Energy will provide the Customer with the new gas marketer’s address for service, telephone number and the customer complaints process. The Customer cannot and will not purport to assign this Agreement or any of the Customer’s rights or obligations under this Agreement. For greater certainty, all obligations and liabilities of the Customer under this Agreement that arise before the expiry or earlier termination of this Agreement or that by their nature or intent will or may require all or part of their fulfillment or performance after the expiry or earlier termination of this Agreement will (whether or not specifically so stated in any of the provisions of this Agreement) survive the expiry or earlier termination of this Agreement and remain in full force and effect for the benefit of Smart Energy thereafter.

Should any provision of this Agreement be illegal or otherwise unenforceable for any reason whatsoever, it will be considered separate and severable from the remaining provisions of this Agreement, which will remain in force and be binding as though the said provision had not been included.

In the event of Force Majeure, Smart Energy will provide notification to the Customer. Upon providing notification, Smart Energy will be relieved of any and all obligations to make delivery of gas and will not be responsible or held liable for any damages that may have been caused during the period of the Force Majeure.

The Customer and Smart Energy agree to be bound by all legislation, regulations, bylaws and similar enactments of the Federal, Provincial and municipal governments and the B.C. Utilities Commission governing the supply of natural gas. In the event that any material provisions of this Agreement become inconsistent with such enactments, the provisions of such enactments will govern and Smart Energy, at its sole discretion, may notify the Customer that it wishes to renegotiate the affected provisions of this Agreement. If the Customer and Smart Energy are unable to renegotiate such provisions, Smart Energy may terminate this Agreement upon 30 days’ notice to the Customer.

The Customer consents to Smart Energy collecting, using, retaining and disclosing to third parties information of the Customer reasonably required by Smart Energy to fulfill its reasonable business purposes and to fulfill this Agreement, including without limitation: for conducting credit reviews (e.g. obtaining credit reports) and communications with the Public Utility and suppliers and transporters; for billing, collections or gas supply management purposes (e.g. consumption information); for law enforcement purposes; for the purpose of complying with a legal requirement or an order of a regulatory body exercising jurisdiction over Smart Energy or the Customer; for the processing of past due accounts of the Customer which have been passed to a debt collection agency; and in the event that Smart Energy sells, assigns or otherwise transfers its list of customers and its existing agreements with customers to another licensed gas marketer.

Smart Energy will not be held responsible or liable for any damage, injury or loss associated with not fulfilling any obligations under this Agreement should this Agreement not be approved by the Public Utility for any reason.

For any concerns or questions, please contact Smart Energy at the address given on the front page of this Agreement.

Disputes between Smart Energy and the Customer arising out of this Agreement will be referred to and resolved by arbitration administered by the B.C. Utilities Commission or other body appointed by the B.C. Utilities Commission for purpose of resolving such disputes and conducted according to the B.C. Utilities Commission’s rules for the resolution of such disputes.

The provisions of this Agreement constitutes the entire agreement between the Customer and Smart Energy and supersede all previous communications, representations, understandings and agreements, whether verbal or written, relating to the subject matter of this Agreement. For greater certainty, the Customer acknowledges that neither Smart Energy nor any of its salespersons, representatives, employees or agents has made any representations regarding agreements, rights or obligations that are not set out in this Agreement. This Agreement is governed by and is to be construed in accordance with the laws of British Columbia and (subject to the above arbitration provision) each of the Customer and Smart Energy irrevocably attorns and submits to the exclusive jurisdiction of the Courts of British Columbia. A copy of the Code of Conduct for Gas Marketers is available upon request.

Time is of the essence of this Agreement. This Agreement may only be amended in writing, signed by each of Smart Energy and the Customer. All Schedules attached hereto form part of this Agreement. The Customer has been provided with opportunity to seek independent legal advice in respect of this Agreement before executing this Agreement and either has done so or has considered doing so and, in the Customer’s sole discretion and judgment has decided that such advice is not necessary.