

The Energy Cooperative of New York, Inc. 403 Main Street, Suite 411, P.O. Box 17 Buffalo, New York 14205-0017

Tel: (716) 842-1697 Fax: (716) 819-0262

ENERGY SUPPLY DISCLOSURE STATEMENT

This Disclosure Statement has important information you need to know before you commit to electric and/or natural gas service from the Energy Cooperative of New York, Inc. (ECNY). ECNY is a cooperative corporation whose members include a variety of New York electricity and natural gas end users. ECNY's purpose is to provide to its members the lowest cost alternative for reliable supplies of electricity and natural gas. This is accomplished by purchasing wholesale energy supplies and services and then disaggregating those supplies and services to ECNY members in a not-for-profit fashion. ECNY welcomes new members upon credit qualification and acceptance by its Board of Directors. New members will be required to sign a Membership Form and Billing/Payment History Form. You may terminate your membership by providing thirty (30) days' written notice. ECNY will provide electricity and/or natural gas to your facilities on a monthly basis. ECNY's energy supplies will be delivered to your facilities via the local electric utility's wires or the local natural gas utility's pipelines.

Service Arrangements

Electricity

Electricity supply will be provided to your facilities by ECNY on a cost per Kwh basis. This price shall be ECNY's weighted average commodity price for a given month plus an administrative fee of \$0.0012 per Kwh (minimum fee \$1.00 per bill) together with any applicable taxes. The local electric utility will provide transmission and distribution of that electricity at rates approved by the New York State Public Service Commission. The local electrical utility is also required by law to serve as provider of last resort for commercial electricity supply use, and respond to service calls as set forth hereafter. The provisions of the Home Energy Fair Practices Act protect residential electric members. ECNY is required to provide Environmental Disclosure Label information to its electric customers twice a year inserted in their supply bills.

Natural Gas

Natural gas supply will be provided to your facilities by ECNY on a cost per Mcf basis. This price shall be ECNY's weighted average commodity price for a given month plus a basis price in effect at the time of your membership plus an administrative fee of \$0.11 per Mcf (minimum fee \$1.00 per bill) together with any applicable taxes. The Residential Program charges an administrative fee of \$0.11 and a \$1.00 per month billing fee per bill. The local natural gas utility will provide transportation of that natural gas at rates approved by the New York State Public Service Commission. The local natural gas utility is also required by law to serve as provider of last resort for commercial natural gas supply use, and respond to service calls as set forth hereafter. The provisions of the Home Energy Fair Practices Act protect residential natural gas members.

Policies

Office Locations and Hours

ECNY's offices are located at 403 Main Street, Suite 411, Buffalo, New York 14203, and are open from 8:00 AM to 4:30 PM Monday through Friday. ECNY can be reached by telephone at (716) 842-1697. Telephone service hours are from 8:00 AM to 4:30 PM Monday through Friday, and a voice mail directory is in operation at all times.

Bill Payment Process

For electricity: ECNY will bill directly for electricity supply and the local electric utility will bill directly for its delivery services. ECNY bills will be issued monthly and the local electric utility's bills will be issued per their normal practice, with the exception of those utilities that offer a single bill option, which currently includes Niagara Mohawk and Rochester Gas & Electric.

For natural gas: ECNY will bill for both natural gas supply and the local natural gas utility's delivery services, with the exception of NYSEG & Niagara Mohawk territory. ECNY bills will be issued monthly and payment is due as indicated on the bill.

The local electric and/or natural gas utility will read your electric/gas meter monthly to calculate your monthly usage. The utility will then assess charges to your account based upon those usages and ECNY will use the usages to calculate your monthly charges for energy supply. Should the utility's usage information not be available in a timely fashion, ECNY reserves the right to issue a prebill (in lieu of a security deposit) based on estimated usages each month and then adjust a subsequent bill to correct for actual usage shown by meter readings. ECNY reserves the right to charge a late payment fee of 1.5% of the amount due for payments along with any past due balances and unpaid late payment fees not made by their due date. Returned checks and failed ACH payments will be assessed a \$25.00 returned check/failed ACH payment charge. If the member defaults, to the extent permitted by law, ECNY will pursue formal collection of any balance owed, together with the expenses of enforcement and collection of said balance, including, without limitation, reasonable attorney's fees and related costs associated with the formal collection of any balance due.

Complaint and Dispute Resolution

If you have any complaints regarding your electric or natural gas service or your monthly bill, please contact us at (716) 842-

1697. If ECNY's staff cannot remedy your dispute, you will have the opportunity to present your dispute to ECNY's Board of Directors at their next scheduled Board meeting. In the mean time, you are obligated to pay any disputed invoice in full, with the exception of any obvious errors, until said dispute can be resolved to the satisfaction of yourself and ECNY. If the dispute cannot be resolved within forty-five (45) days, the dispute shall be submitted to binding arbitration conducted pursuant to the rules, regulations and procedures of the American Arbitration Association.

Amendment, Cancellation or Expiration of Agreement

ECNY's Membership Agreement may be amended from time to time upon approval of the ECNY Board of Directors. Any amendment does not take effect until thirty (30) days after its approval by the Board of Directors. As set forth hereafter, membership in ECNY may be terminated upon thirty (30) days' written notice, at which time the member may choose another provider of electricity and/or natural gas, or return to the local utility for its commodity supply. ECNY will similarly give the member, as well as the applicable local electric or natural gas utility, a minimum of thirty (30) days' advance written notice prior to a termination of membership in ECNY. ECNY will follow the NYS Department of Public Service rules and the Home Energy Fair Practices Act (HEFPA) to terminate Residential members from the cooperative.

Financial Obligations of the Cooperative

In the event of a default by a cooperative member, the existing members jointly agree to assume and discharge, by payment, any obligation of the cooperative to the surety that provides any bond or bonds to the cooperative and/or supplier of product and/or services. If the default amount is beyond the cooperative's reserves, each member would be assessed an amount on a pro-rata basis based upon its cost of natural gas/electric usage. The cooperative would take appropriate action to recover the amount from the defaulting member, as discussed above, and return any amount recovered to the existing members.

Allocation of Partial Payments

If a member does not pay its monthly bill in full, ECNY will first credit the amount received to the outstanding balance, including any late fees, and then apply any remainder to current charges. Delinquencies of thirty (30) days or more are cause for termination of membership in ECNY upon thirty (30) days' written notice.

Historic Billing Information

ECNY will consider a member's billing information to be confidential. If a member wishes for the billing information to be provided to the member or to be released to a third party, the member must notify ECNY in writing.

Calls for Service Problems

If a member becomes aware of an electrical or gas emergency condition, experiences an unanticipated loss of electricity or gas service or experiences poor power quality, the member should contact its electric or natural gas utility at:

National Fuel Gas Corporation 1-800-444-3130 New York State Electric & Gas 1-800-572-1131 Niagara Mohawk Power Corporation 1-800-932-0301 Rochester Gas & Electric 1-716-546-1100

Credit Checks

We may verify a member's credit history with either the utility or a credit reporting company upon the member's application for membership in ECNY. Determination of credit worthiness will be by generally accepted business practices.

Customers' Rights and Obligations

Amendment of Agreement or Change of Electricity Providers

If a member wishes to terminate its membership in ECNY and change electricity or natural gas providers, it must provide ECNY with thirty (30) days' written notice. ECNY will notify the local utility of the change of electricity or natural gas supplier. Any such change of energy supplier must take place at a scheduled meter reading date; otherwise there will be a meter reading charge as determined by the local utility. If ECNY terminates the membership, the electricity or natural gas supply will automatically be provided by the local utility under its standard tariff, unless or until the former member chooses another supplier. Residential customers have right to cancel within three business days of receipt of the utility switch letter. Electricity or natural gas may only be shut off by the local utility under procedures approved by the Public Service Commission.

Third Party Notification

A member may direct that its bills be sent to a third party. Such requests must be provided in writing to ECNY.

Department of Public Service Complaint Number

The Department of Public Service is monitoring complaints against energy service companies. It will not resolve complaints, but an excessive number of complaints may result in an energy supply company no longer being allowed to supply electricity or natural gas. The Department of Public Service telephone number is 1-800-342-3377, or you may write the Department of Public Service at: Office of Consumer Services, Delmar Annex, Three Empire State Plaza, Albany, NY 12223-1350 or contact them by e-mail at http://www.dps.state.ny.us.