

**If you purchased electric service from
Pennsylvania Gas & Electric, you could get a
payment from a class action settlement.**

A federal court authorized this Notice of Class Action Settlement.

It is not a solicitation from a lawyer.

Contact the Claims Administrator or the Lawyers for the Class listed below if you have any questions after reading this Notice. Do not contact the Court with questions.

Read this Notice carefully, as your legal rights may be affected whether or not you respond.

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION LAWSUIT

This Notice is to inform you of a proposed settlement of a class action lawsuit pending against U.S. Gas & Electric, Inc., Energy Services Providers, Inc., and Pennsylvania Gas & Electric, or “Defendants.” As described below, this class action lawsuit is brought on behalf of all persons in the Commonwealth of Pennsylvania who purchased electricity from Defendants anytime through February 13, 2017.

Defendants’ records indicate that you may be a member of the Settlement Class. This Notice affects your legal rights and is given to you pursuant to Rule 23 of the Federal Rules of Civil Procedure. Please read this document carefully.

YOU ARE NOT BEING SUED. THIS NOTICE IS TO ADVISE YOU OF YOUR LEGAL RIGHTS IN CONNECTION WITH THE PROPOSED SETTLEMENT OF A CLASS ACTION LAWSUIT.

SUMMARY OF THIS LAWSUIT

This notice is not an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by either side in this lawsuit. The sole purpose of this notice is to inform you of the proposed settlement of the lawsuit and your rights.

This lawsuit is pending in the United States District Court for the Eastern District of Pennsylvania. It was commenced by Plaintiff Thomas Sobiech (“Plaintiff”) on behalf of himself and all persons in the Commonwealth of Pennsylvania with similar claims.

Plaintiff alleged that Defendants’ acts and omissions in connection with its electric energy supply activities in Pennsylvania constitute breach of contract and breach of the covenant of good faith and fair dealing and warrant declaratory relief and damages.

Defendants are defending against and deny all of Plaintiffs’ allegations. The Court has not ruled on the merits of Plaintiff’s claims or allegations, nor has it ruled on the merits of Defendants’ defenses.

DEFINITION OF THE CLASS

On June 7, 2017, the United States District Court for the Eastern District of Pennsylvania certified this lawsuit to proceed as a class action for purposes of the proposed settlement.

The Settlement Class for the proposed settlement is defined as:

All persons in the Commonwealth of Pennsylvania who purchased electricity from Defendants during the Class Period.

Excluded from the Settlement Class are: Defendants, any entities in which they have a controlling interest, any of their parents, subsidiaries, affiliates, officers, directors, employees and members of such person's immediate family and the presiding judge(s) in this case and their immediate family, and any person who has previously released claims against the Defendants including, but not limited to, persons who released claims against the Defendants pursuant to the settlement of the administrative proceeding that was filed in the Pennsylvania Public Utility Commission and docketed at C-2014-2427656.

The term "Class Period" means:

Any time up to and including February 13, 2017.

In a class action, one or more persons are appointed to serve as the "class representative" to represent the interests of all persons with similar claims or defenses. In this case, the Court appointed Plaintiff to serve as the class representative. The Court also approved Jonathan Shub of the firm Kohn Swift & Graf, P.C. and Troy M. Frederick of Marcus & Mack, P.C. to serve as Class Counsel for the Settlement Class.

This Notice is being sent solely for the purposes of: (i) informing you that this lawsuit is pending; (ii) informing you that the Court has certified the lawsuit to proceed as a class action for purposes of settlement; (iii) advising you that the parties have reached agreement on a proposed settlement, and explaining the terms of the proposed settlement and how you can make a claim; and (iv) advising you of your rights with respect to the proposed settlement.

SUMMARY OF THE PROPOSED SETTLEMENT

In exchange for a *pro rata* share of a pool of money totaling \$1,250,000, a member of the Settlement Class who does not opt out of the settlement (as described below) will relinquish their right to bring claims on their own behalf, including claims for monetary relief, and any class member who does not opt out will not be able to sue Defendants on the same or any related claims. The amount you will receive will be determined by dividing \$1,250,000 by the number of claims received. The proposed settlement does not mean that any law was violated or that Defendants did anything wrong. Plaintiff and Class Counsel think the proposed settlement is fair, and in the best interests of all Settlement Class members.

YOUR RIGHTS AS A SETTLEMENT CLASS MEMBER

1. The Court authorized this notice because you have a right to know about the proposed settlement and about your options before the Court decides whether to give final approval to the settlement. This Notice explains the lawsuit, the proposed settlement, and your legal rights.
2. To remain a member of the Settlement Class, as described above, you must complete and submit a Claim Form by **December 7, 2017** to request benefits for which you may be eligible as of that time. Follow all of the Claim Form instructions. Claim Forms may be submitted online or downloaded for printing and submission via U.S. Mail at www.PAEnergySettlement.com. Claim Forms are also available by calling 1-800-768-5812 or by writing to Sobiech v. U.S. Gas & Electric Settlement Administrator, PO Box 3747 Portland, OR 97208-3747.
3. If you do not want to participate in this proposed settlement and you want to retain the right to sue Defendants about the legal issues in this case, then you must take steps to exclude yourself from the proposed settlement. This is called asking to "opt out" of the Settlement Class. If you exclude yourself, or "opt out," you cannot object to the proposed settlement. If you ask to be excluded, however, you may sue or be part of a different lawsuit against Defendants concerning their rates. If you exclude yourself, you will not be bound by anything that happens in this lawsuit. Unless you exclude yourself, you give up the right to sue Defendants for all of the claims that the proposed settlement resolves.
4. To exclude yourself from the proposed settlement, you must state your intention to do so in writing, submitted by U.S. Mail to the Settlement Administrator at the addresses listed below. You must include your full name, current address, signature, date, and, to the extent you can identify it, the time period during which you purchased electricity supplied by Defendants. To be considered valid, your opt out notice must set forth all of this information and must be timely received. You must mail copies of your request for exclusion postmarked by **October 9, 2017**, to:

SETTLEMENT ADMINISTRATOR

Sobiech v. U.S. Gas & Electric Settlement Administrator

PO Box 3747
Portland, OR 97208-3747

You cannot ask to be excluded on the phone, by email, or on the internet.

5. You or your attorney may file an appearance in this case with the Clerk at your own expense. Otherwise, unless you decide to exclude yourself from the Settlement Class, you will be represented by Class Counsel. You will not personally have to pay Class Counsel any attorneys' fees, costs or expenses for their professional services. Defendants have agreed to pay attorneys' fees, costs, and expenses in an amount to be approved by the Court, of up to \$475,000. The Court may award less than that amount. Any fees, costs, and expenses awarded to Class Counsel will not reduce the amount of settlement benefits available to the Settlement Class.
6. You may ask the Court to deny approval of the proposed settlement by filing written objections (as described below). You cannot ask the Court to order a larger settlement; the Court can only approve or deny the proposed settlement. If the Court denies approval of the proposed settlement, no settlement payments will be sent out and the lawsuit will continue. If that result is your desire, you must object.
7. If you disagree with any aspect of the proposed settlement and you do not opt out, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.
8. All written objections must: (a) be clearly marked as your "Written Objections to Settlement Agreement" in *Sobiech v. U.S. Gas & Electric, Inc.*, Civil Action No. 2:14-cv-04464; (b) state your full name, address, and telephone number; (c) state the time period during which you purchased electricity from Defendants (to the extent you can identify it); (d) set forth a brief statement regarding the nature of your objections; (e) state the reasons for your objections; (f) include copies of any papers that support your objections; and (g) if you want to be heard at the Final Approval Hearing (explained in more detail below), state that you intend to appear at the Final Approval Hearing.
9. All written objections must be filed with the Court by mailing them to the Court at the address listed below or by filing them in person at any location of the United States District Court for the Eastern District of Pennsylvania. To be considered, any written objections must be postmarked or filed in person on or before **October 9, 2017**.

COURT

Clerk of the Court
United States District Court, Eastern District of Pennsylvania
James A. Byrne U.S. Courthouse
601 Market Street
Philadelphia, PA 19106

10. Copies of all written objections must also be sent to both Class Counsel and Defendants' Counsel by mailing the written objections to the addresses listed below. To be considered, the copies of the written objections must be postmarked on or before **October 9, 2017**.

CLASS COUNSEL

Jonathan Shub
Kohn Swift & Graf, P.C.
One South Broad Street
Suite 2100
Philadelphia, PA 19107

DEFENDANTS' COUNSEL

Grant S. Palmer
Charles A. Fitzpatrick, IV
Blank Rome LLP
One Logan Square
130 North 18th Street
Philadelphia, PA 19103

Members of the Settlement Class who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be entitled to be heard at the Final Approval Hearing.

FINAL APPROVAL HEARING

1. The Court will hold a Final Approval Hearing (also known as a “Fairness Hearing”) on **October 26, 2017** in Courtroom 9B of the United States District Court for the Eastern District of Pennsylvania, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106. At the Final Approval Hearing, the Court will consider whether the proposed settlement is fair, reasonable, and adequate. The Court also will consider Class Counsel’s request for attorneys’ fees, costs, and expenses, and a proposed incentive award of \$2,000 for Plaintiff in recognition of his time and energy devoted to serving and representing the Settlement Class.
2. If there are objections to the proposed settlement, the Court will consider them. After the Final Approval Hearing, the Court will decide whether to approve the proposed settlement. You do not need to attend the Final Approval Hearing. Class Counsel will answer any questions the Court may have regarding the Settlement Class’s position regarding the settlement. However, you are welcome to attend the hearing at your own expense. If you send a written objection to the Court, you do not have to come to the Final Approval Hearing to have that objection considered. As long as you submitted your written objection on time, the Court will consider it. You may have your own lawyer attend the Final Approval Hearing (at your expense), but it is not necessary that you do so in order for the Court to consider your written objection.
3. For you or your personal lawyer to speak at the Final Approval Hearing, you must submit written objections to the proposed settlement (as described above) or send a letter to the Court, Class Counsel, and Defendants’ counsel at the addresses specified above that provides notice of your intent to appear at the Final Approval Hearing. Your letter must: (a) be clearly marked as your “Notice of Intent to Appear” in *Sobiech v. U.S. Gas & Electric, Inc.*, Civil Action No. 2:14-cv-04464; (b) state your full name, address, and telephone number; (c) state the time period during which you purchased electricity from Defendants (to the extent you can identify it); (d) set forth a brief summary of what you intend to say at the hearing; and (e) include your signature. Any written objections or letter expressing your intent to appear at the Final Approval Hearing must be postmarked no later than **September 7, 2017**. The Court will decide if you will be allowed to speak at the Final Approval Hearing.

OTHER MATTERS

1. If you have questions, you should contact your own attorney or direct your inquiries to Class Counsel at the address listed above or by telephone. Phone calls to Class Counsel Jonathan Shub of Kohn, Swift & Graf, P.C. can be made by dialing (215) 238-1700. Phone calls to Class Counsel Troy M. Frederick of Marcus & Mack, P.C. can be made by dialing (866) 881-9883.
2. This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at www.PAEnergySettlement.com, by contacting Class Counsel, accessing the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.paed.uscourts.gov/cgi-bin/ShowIndex.pl>, or visiting the office of the Clerk of the Court for the United States District Court for the Eastern District of Pennsylvania, James A. Byrne Courthouse, 601 Market Street, Room 2609, Philadelphia, PA 19106, between 8:30 a.m. and 5:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

Dated: June 7, 2017

Kate Barkman
Clerk, United States District Court
Eastern District of Pennsylvania
James A. Byrne Courthouse
601 Market Street
Room 2609
Philadelphia, PA 19106