

Columbia Gas Transmission, LLC  
FERC NGA Gas Tariff  
Original Volume No. 1.1

Section 4.26  
Non-Conf Neg Rate Svc Agmts  
Version 1.0.0

Non-Conforming Service Agreement No.  
161136, Rev 2

New Jersey Natural Gas Company

Agreement Effective Date: November 1, 2015

Issued: December 2, 2015

Effective: November 1, 2015

Service Agreement No. 161136  
Revision No. 2

### NTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 23<sup>rd</sup> day of November, 2015, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and NEW JERSEY NATURAL GAS COMPANY ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective NTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall be effective as of November 1, 2015, and shall continue in full force and effect for a term of fifteen (15) years. Effective November 1, 2020, Shipper will have a one-time right to reduce the term of its Service Agreement from fifteen (15) years to ten (10) years as stated in Appendix B. Shipper must provide Transporter written notice of its intent to reduce the term of its Service Agreement no later than August 1, 2020. Shipper shall have a one-time right to extend the term of its Service Agreement for an additional term of five (5) years, at the then-effective maximum recourse rate for Rate Schedule NTS. Shipper must notify Transporter of its election to extend the Service Agreement at least six (6) months prior to the termination of the Service Agreement. Thereafter, if Shipper has exercised its right to extend the term of the Service Agreement on the terms above, Shipper's Service Agreement shall be eligible for a right of first refusal ("ROFR"), as set forth in Section 4.1(c) of the General Terms and Conditions of the Tariff. Transporter shall make any filings with the Commission that may be required to effectuate the ROFR. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper, aware of the availability of a maximum recourse rate, elects to pay a negotiated reservation rate of \$10.95 per Dth per month. The negotiated reservation rate shall be fixed for the primary term of the Service Agreement, regardless of the maximum

recourse rate set forth in the Tariff. In addition to the reservation rate set forth above, Shipper shall pay all demand surcharges applicable to Rate Schedule NTS set forth in the Tariff, as those surcharges may be amended, added or modified from time to time. During the primary term of service, Shipper shall not pay Transporter's Capital Cost Recovery Mechanism ("CCRM") charge. During the months of November through March, Shipper shall pay a negotiated base commodity rate of \$0.10 per Dth and during the months of April through October, Shipper shall pay Transporter's then applicable base commodity rate. Additionally, Shipper shall pay all commodity surcharges applicable to Rate Schedule NTS set forth in the Tariff. Shipper shall provide the maximum retainage rate for Rate Schedule NTS as set forth in the Tariff. Shipper shall pay the same demand, commodity, surcharges and applicable retention when using Secondary Points as described for Primary Points above.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: James R. Eckert and notices to Shipper shall be addressed to it at 1415 Wyckoff Road, Wall NJ 07719, Attention: Jayana Shah, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): NTS No. 161136, Revision No. 1.

Section 6. Credit Annex. The credit requirements appended hereto as Attachment A are incorporated herein by reference with full force and effect and are made a part of this Service Agreement as though restated herein verbatim.

NEW JERSEY NATURAL GAS COMPANY

By 

Title SVP

Date 11/23/15

COLUMBIA GAS TRANSMISSION, LLC

By 

Title James R. Eckert  
Sr Vice President Commercial Operations

Date 11-23-15

Revision No. 2

Appendix A to Service Agreement No. 161136  
Under Rate Schedule NTS  
between Columbia Gas Transmission, LLC ("Transporter")  
and New Jersey Natural Gas Company ("Shipper")

Transportation Demand

Begin <u>Date</u>	End <u>Date</u>	Transportation Demand <u>Dth/day</u>	Recurrence <u>Interval</u>
11/1/2015	10/31/2030	2,545	1/1-12/31

Primary Receipt Points

Begin <u>Date</u>	End <u>Date</u>	Scheduling <u>Point No.</u>	Scheduling <u>Point Name</u>	Measuring <u>Point No.</u>	Measuring <u>Point Name</u>	Maximum Daily Quantity <u>(Dth/day)</u>	Minimum Receipt Pressure Obligation <u>(psig) 1/</u>	Recurrence <u>Interval</u>
11/1/2015	10/31/2030	B18	Milford-21	631922	Milford	2,545		1/1-12/31

Appendix A to Service Agreement No. 161136  
Under Rate Schedule NTS  
between Columbia Gas Transmission, LLC ("Transporter")  
and New Jersey Natural Gas Company ("Shipper")

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Delivery Obligation (Dth/day) 1/</u>	<u>Design Daily Quantity (Dth/day) 1/</u>	<u>Minimum Delivery Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
11/1/2015	10/31/2030	100	New Jersey Natural	642739	Morris Plains	2,545		700	1/1-12/31
11/1/2015	10/31/2030	100	New Jersey Natural	630691	Mt. Olive	2,545		700	1/1-12/31

1/ Application of MDDOs, DDQs and ADQs, minimum pressure and/or hourly flowrate shall be as follows:

Appendix A to Service Agreement No. 161136  
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between Columbia Gas Transmission, LLC ("Transporter")  
and New Jersey Natural Gas Company ("Shipper")

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

☐ Yes ☒ No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

☐ Yes ☒ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

☐ Yes ☒ No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDOs, ADQs and/or DDQs, as applicable, set forth in Transporter's currently effective Rate Schedule ☐ Service Agreement No. ☐ Appendix A with Shipper, which are incorporated herein by reference.

☐ Yes ☒ No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

☐ Yes ☒ No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

NEW JERSEY NATURAL GAS COMPANY

By [Signature]  
Title SVP  
Date 11/23/15

COLUMBIA GAS TRANSMISSION, LLC

By [Signature]  
Title James R. Eckert  
Sr Vice President Commercial Operations  
Date 11-23-15

Appendix B to Service Agreement No. 161136  
Under Rate Schedule NTS  
between Columbia Gas Transmission, LLC ("Transporter")  
and New Jersey Natural Gas Company ("Shipper")

Capacity Reduction Option Provisions\*

SERVICE PACKAGE:

OPTION PERIOD(S)

The term of the Service Agreement is fifteen (15) years. Shipper shall have the option to reduce the term of the Service Agreement from fifteen (15) years to ten (10) years.

OPTION DESCRIPTION

No later than August 1, 2020, Shipper must notify Transporter in writing of its intent to reduce the term of the Service Agreement from fifteen (15) years to ten (10) years.

OPTION CONSIDERATION

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ANY LIMITATIONS ON  
THE EXERCISE OF THE  
CAPACITY REDUCTION  
OPTION AS BID BY  
THE SHIPPER:

\* NOTICE MUST BE GIVEN AS PROVIDED FOR IN GENERAL TERMS AND CONDITIONS SECTION 4.4(b)(2).