

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

Section 4.26  
Non-Conf Neg Rate Svc Agmts  
Version 0.0.0

Non-Conforming Service Agreement No.  
161136

New Jersey Natural Gas Company

Agreement Effective Date: November 1, 2015

Issued: October 9, 2015

Effective: November 1, 2015

Service Agreement No. 161136  
Revision No. 1

## NTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this **28<sup>TH</sup>** day of September, 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No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission.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 the later of November 1, 2015, or the date that all of Transporter's East Side Expansion Project facilities necessary to provide Shipper firm transportation service pursuant to this Agreement have been commissioned, tested, and are ready for service as determined in Transporter's discretion ("Actual In-Service Date") and shall continue in full force and effect for a term of fifteen (15) years. Effective five (5) years after the Actual In-Service Date, Shipper will have a one-time right to reduce the term of its Service Agreement from fifteen (15) years to ten (10) years. 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. 0.

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 9/28/15

COLUMBIA GAS TRANSMISSION, LLC

By   
James R. Eckert

Title Sr Vice President Commercial Operations

Date 9-28-15

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

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
Later of 11/1/2015 or Actual In-Service Date	Fifteen (15) years from the Actual In-Service Date	2,545	1/1-12/31

Primary Receipt 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 Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
Later of 11/1/2015 or Actual In-Service Date	Fifteen (15) years from the Actual In-Service Date	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>
Later of 11/1/2015 or Actual In-Service Date	Fifteen (15) years from the Actual In-Service Date	100	New Jersey Natural	642739	Morris Plains	2,545		700	1/1-12/31
Later of 11/1/2015 or Actual In-Service Date	Fifteen (15) years from the Actual In-Service Date	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  
Under Rate Schedule NTS  
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 Mauro Spadotto  
Title SVP  
Date 9/28/15

COLUMBIA GAS TRANSMISSION, LLC

By James R. Eckert  
Title Sr Vice President Commercial Operations  
Date 9-28-15