

Columbia Gas Transmission, LLC  
FERC NGA Gas Tariff  
Baseline Tariffs  
Proposed Effective Date: January 1, 2018  
Service Agreement No. 186926 – CNX Gas Company, LLC  
Option Code A

Service Agreement No. 186926

Revision No. 0

### FTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 15 day of December, 2017, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and CNX GAS COMPANY LLC. ("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 FTS 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No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission.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. Notwithstanding that Transporter anticipates its Leach XPress Project ("Project") shall be placed into service on or before November 1, 2017, this Agreement shall be effective as of the date that all of Transporter's Leach XPress Project facilities necessary to provide firm transportation service to Shipper have been deemed by Transporter to be ready for service and FERC has been notified that the Project is complete and is ready to be placed into service ("Actual In-Service Date"), and shall remain in full force and effect for a term of fifteen (15) years ("Initial Term") from the Actual In-Service Date. 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.

At the end of the Initial Term, Shipper shall have the right to extend its Service Agreement for one (1) or two (2) successive 5-year terms (each an "Extended Term"), exercisable no later than twelve (12) months prior to the expiration of the Initial Term and the first Extended Term, if applicable. Any Extended Term must be for a minimum quantity of 25,000 Dth/day and at the same rates and commercial terms contained herein. Provided, however, if Shipper elects to extend the Initial Term at a quantity less than its Initial Term quantity, then such reduced quantity for the first Extended Term shall become the maximum quantity for any second Extended Term. In addition to the rates applicable to Shipper's Extended Term, Shipper shall pay all surcharges (excluding the Capital Cost Recovery Mechanism charges) applicable to Rate Schedule FTS that are set forth in the Tariff, without exception, as those surcharges may be amended, added or modified from time to time.

Section 3. Rates. Shipper shall pay Transporter the negotiated rates and furnish retainage as set forth in the Negotiated Rate Letter Agreement attached hereto as Appendix B.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to

it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at CNX Gas Company LLC, 1000 CONSOL Energy Drive, Canonsburg, PA 15317, Attention: Vice President Gas Marketing, 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): N/A.

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 set forth herein verbatim.

CNX GAS COMPANY LLC

By [Signature]  
Title President + CEO  
Date 12/15/17

COLUMBIA GAS TRANSMISSION, LLC

By [Signature]  
Title Jasmin Bertovic  
Vice President  
Date 12/20/17 14

Appendix B to Service Agreement No. 186926

December 15, 2017

CNX Gas Company LLC 1000  
CONSOL Energy Drive  
Canonsburg, PA 15317  
Attention: Chad Griffith

RE: FTS Service Agreement No. 186926  
Negotiated Rate Letter Agreement

Dear Chad:

This Negotiated Rate Letter Agreement between Columbia Gas Transmission, LLC ("Transporter") and CNX Gas Company LLC. ("Shipper"), shall set forth the applicable rates, calculations thereof, and other rate provisions associated with the transportation service provided by Transporter to Shipper pursuant to the above-referenced Service Agreement. Transporter and Shipper may be referred to individually as a "Party" or collectively as the "Parties".

Shipper and Transporter hereby agree:

1. The "Negotiated Reservation Rates" during the Initial Term for the transportation service provided shall be those rates and terms agreed upon as set forth in Attachment B-1 hereto, as adjusted pursuant to Paragraph 2, if applicable.
2. Shipper's "Daily Demand Rates" as set forth in Attachment B-1 hereto shall be adjusted as follows:

Since Shipper obtained its Leach XPress Project ("LXP") capacity under FTS Service Agreement No. 186926 through an assignment from Noble Energy, Inc. ("Noble") (Docket No. RP17-159), Transporter agrees that in calculation of the formulas and amounts below Shipper shall not be allocated any cost overruns or cost savings greater or less than what would have been allocated to Noble had Noble not assigned a portion of its LXP capacity to Shipper under FTS Service Agreement No. 186926.

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (defined below), Shipper's Daily Demand Rate shall be multiplied by the Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to  $1 + [(CCO/EPC) \times 50\%]$ . In no event shall the CCO Factor exceed 1.0909.

To the extent Actual Project Costs, as defined below, are less than Estimated Project Costs as defined below, Shipper's Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor ("CCU Factor"). The CCU Factor shall be equal to  $1 - [(CCU/EPC) \times 50\%]$ . In no event shall the CCU Factor be less than .9091.

Any such adjustment to Shipper's Daily Demand Rate shall be effective prospectively beginning as soon as administratively feasible, but no later than the second anniversary date of the Actual In-Service Date and shall remain in effect for the balance of the Initial Term and any Extended Term Service.

"Actual Project Costs" or APC shall mean, subject to any limits on costs as set forth below, all costs and expenses incurred by TCO, including trailing costs up to twelve months subsequent to the Actual In-Service Date, to complete the Project in the manner contemplated by the Precedent

Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project facilities, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) an allowance for funds used during construction ("AFUDC") computed in accordance with regulations of the FERC. Notwithstanding the foregoing, TCO shall exclude from the APC all incremental costs related to the Majorsville Booster Compression. TCO shall maintain books and records reasonably necessary for Shipper to verify the APC. The Parties acknowledge that TCO's formal books and records that conform with the FERC and accounting policies and guidelines may not match the APC used to determine Shipper's adjusted Daily Demand Rate.

"Capital Cost Overrun" or "CCO" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs exceed Estimated Project Costs.

"Capital Cost Underrun" or "CCU" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs are less than Estimated Project Costs.

"Estimated Project Costs" or "EPC" shall mean all costs and expenses that are projected to be incurred by TCO to complete the Project in the manner contemplated by the Precedent Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project facilities, including all compression costs, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, (d) AFUDC computed in accordance with the regulations of the FERC, and (e) a contingency amount equal to at least 10% of the total EPC. Notwithstanding the foregoing, TCO shall exclude from the EPC all incremental costs related to the Majorsville Booster Compression. For purposes of determining the adjustment to Shipper's Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal to the amount presented to NiSource Inc.'s board of directors ("Board") for authorization of the Project. TCO will provide this amount to Shipper promptly after execution of this precedent agreement.

Shipper shall have one-time right, exercised no later than thirteen (13) months after the Actual In-Service Date of the Project, to review TCO's books and records as reasonably necessary to verify Project costs for purposes of this provision.

[signature page follows]

Appendix B to Service Agreement No. 186926

Accepted and agreed to this 15 day of December, 2017.

CNX Gas Company LLC

By: 

Title: President + CEO

Date: 12/15/17

Columbia Gas Transmission, LLC

By: 

Title: Jasmin Bertovic  
Vice President

Date: 12/28/17

TS

ATTACHMENT B-1

NEGOTIATED RESERVATION RATES

Primary Receipt Point(s)*	Primary Delivery Point(s)*	Transportation Demand (Dth/day)	Term	Daily Demand Rate**	Daily Commodity Rate**	Rate Schedule
Sherwood (meter no.642645)	Leach (meter no. 801)	50,000 Dth/day	15 years from Actual In-Service Date	\$0.55	maximum applicable	FTS

\* Shipper shall have full secondary receipt and delivery point access, pursuant to the terms and conditions of TCO's FERC Gas Tariff, at no incremental charge.

\*\* In addition, Shipper shall pay all applicable demand and commodity surcharges specified under Rate Schedule FTS, as such may change from time to time, with the exception of the Capital Cost Recovery Mechanism (CCRM) surcharge, which will not be included as part of the TCO project.

In addition to the rates above, Shipper will pay the fuel retention applicable to Rate Schedule FTS, as such may change from time to time.



**ATTACHMENT B-2**

**Addendum to Negotiated Rate Letter Agreement for  
FTS Service Agreement No. 186926, dated December 15, 2017  
("Negotiated Rate Letter Agreement")**

Pursuant to this Addendum to the Negotiated Rate Letter Agreement ("Addendum") between Columbia Gas Transmission, LLC ("Transporter" or "TCO") and CNX Gas Company LLC ("Shipper"), Transporter and Shipper agree as follows:

1. Shipper's one-time audit right in the Negotiated Rate Letter Agreement ("Audit") may be exercised by Shipper no later than by July 31, 2019.
2. Using the Daily Demand Rate adjustment mechanism set forth in the Negotiated Rate Letter Agreement, Transporter unilaterally increased the Daily Demand Rate set forth therein by \$0.05 effective as of January 1, 2018 ("Daily Demand Rate Increase"). Consequently, for the sole purpose of placing a stated rate on file with FERC, the Daily Demand Rate in the Negotiated Rate Letter Agreement, Attachment B-1, is \$0.60 as of January 1, 2018, subject to the outcome and any resolution of the Audit and the terms and conditions of the Negotiated Rate Letter Agreement and this Addendum.
3. Shipper's Primary Delivery Point set forth in the Negotiated Rate Letter Agreement, Attachment B-1 is revised from Leach (Meter No. 801) to TCO Pool (Meter No. P10).
4. Shipper has entered into this Addendum without prejudice or limitation on its right to conduct the Audit and challenge Actual Project Costs, the Daily Demand Rate Increase and its effective date.
5. Instead of Shipper withholding monthly payment to Transporter for the Daily Demand Rate Increase portion of its monthly invoice from Transporter as disputed amounts under GTC Section 10 of Transporter's Tariff since January 1, 2018, Shipper will make payment to Transporter of such disputed amounts, subject to the outcome and any resolution of the Audit. Any such disputed amounts paid by Shipper to Transporter that are subsequently determined should be refunded to Shipper as a result of the Audit and any resolution thereof shall be promptly refunded by Transporter to Shipper with accrued interest calculated in accordance with 18 C.F.R. § 154.501. Transporter and Shipper shall enter into any necessary, amended and restated negotiated rate letter agreement to reflect any revised Daily Demand Rate based on resolution of the Audit.



6. Except as set forth in this Addendum, the terms and provisions of the Negotiated Rate Letter Agreement remain in full force and effect.

Accepted and agreed to this 16 day April,  
2018:

Columbia Gas Transmission, LLC

By:  JVM

Name: **Russell A. Mahan**  
**Vice President**

Title: \_\_\_\_\_

By:  JB

Name: **Jasmin Bertovic**  
**Vice President**

Title: \_\_\_\_\_

Accepted and agreed to this 16 day of April,  
2018:

CNX Gas Company LLC

By: 

Name: **Nicholas DeIuliis**

Title: **CEO**