

Columbia Gas Transmission, LLC

FERC NGA Gas Tariff

Baseline Tariffs

Proposed Effective Date: September 1, 2024

FTS Service Agreement No. 255792-2 – Columbia Gas of Virginia, Inc.

Option Code A

Service Agreement No. 255792  
Revision No. 2

## FTS-VEP SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 23rd day of August, 2024, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and COLUMBIA GAS OF VIRGINIA, INC. ("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No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission.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. Service under this Agreement shall commence as of the date that Transporter is legally authorized to provide, and physically capable of providing, the service ("In-Service Date") and shall continue in full force and effect until twenty (20) years thereafter ("Initial Term"). 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.

Shipper shall have the right to extend the Initial Term for up to two successive 5-year terms (each, an "Extended Term"), exercisable by Shipper providing written notice to Transporter no later than twenty-four (24) months prior to the expiration of the Initial Term and/or the Extended Term, as applicable; provided, however, for any Extended Term(s), Shipper must contract for a quantity equal to the quantity for which it contracted during the Initial Term. Any Extended Term will be priced at the Project Rate set forth in an amendment to this Service Agreement, titled "Negotiated Rate Letter Agreement," as may be amended from time to time, and attached hereto as Appendix B. If Shipper extends its service for both of the Extended Terms, Shipper shall be granted a contractual right of first refusal ("ROFR"), to be exercised by providing TCO written notice no later than one (1) year prior to the expiration of the second Extended Term.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to



discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); (f) production and/or reserves committed by the Shipper; and (g) based on a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon pricing points, provided that the resulting rate shall be no lower than the minimum nor higher than the maximum applicable rate set forth in the Tariff. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 700 Louisiana, Suite 1300, Houston, Texas 77002, Attention: Manager, Business Development and notices to Shipper shall be addressed to it at Columbia Gas of Virginia, Inc., 290 W. Nationwide Blvd., Columbus, OH 43215, Attention: Brad Stuck, 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): FTS No. 255792, 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.

COLUMBIA GAS OF VIRGINIA, INC.

By Karl Stanley Karl Stanley  
4E9CC2269327420...

Title VP Supply & Optimization

Date 8/22/2024 | 9:03 AM PDT

DS  
BS

8/21/2024 | 8:19 AM CDT

COLUMBIA GAS TRANSMISSION, LLC

By Rmk

Title Vice President

Date Aug 23, 2024

DS  
TR

8/21/2024 | 7:11 AM PDT

JR JS CL

Revision No. 2

Appendix A to Service Agreement No. 255792-2  
Under Rate Schedule FTS  
between Columbia Gas Transmission, LLC ("Transporter")  
and Columbia Gas of Virginia, Inc. ("Shipper")

Transportation Demand

Begin <u>Date</u>	End <u>Date</u>	Transportation Demand <u>Dth/day</u>	Recurrence <u>Interval</u>
1/	1/	35,000	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) 2/</u>	Recurrence <u>Interval</u>
1/	1/	833097	Boswells Tavern	833097	Boswells Tavern	35,000		1/1 -12/31

Primary Delivery 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 Delivery Obligation <u>(Dth/day) 2/</u>	Design Daily Quantity <u>(Dth/day) 2/</u>	Minimum Delivery Pressure Obligation <u>(psig) 2/</u>	Recurrence <u>Interval</u>
1/	1/	30CS-33	CGV 01-33	831005	Petersburg	2,258			1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	831015	Chester	2,723			1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	831020	Fort Lee	3,106			1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	831027	CGV Colonial Heights	1,192			1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	843375	Route 60 Midlothian	4,369			1/1 – 12/31

1/	1/	30CS-33	CGV 01-33	831054	CGV Courthouse Green	523	1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	831057	Oxbridge	3,226	1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	831074	Turner Rd	76	1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	834339	American Tobacco Plant	644	1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	834514	Louisa Co Schools	190	1/1 – 12/31
1/	1/	30CS-33	CGV 01-33	837615	CGV Chesterfield Airport	4,200	1/1 – 12/31
1/	1/	30CS-34	CGV 01-34	831008	CGV Portsmouth 1	6,671	1/1 – 12/31
1/	1/	30CS-34	CGV 01-34	831026	Portsmouth 4 - Bowers Hill	4,534	1/1 – 12/31
1/	1/	30CS-34	CGV 01-34	831040	Smithfield	1,092	1/1 – 12/31
1/	1/	30CS-34	CGV 01-34	834803	Sussex County Prison	83	1/1 – 12/31
1/	1/	30CS-34	CGV 01-34	836894	Waverly	113	1/1 – 12/31

1/ Per Section 2 of the Service Agreement.

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

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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   X   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.

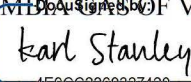


☒ Yes ☐ No (Check applicable blank) Shipper has a contractual right of first refusal, exercisable only at the conclusion of the second Extended Term (if applicable), and in all other respects equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions 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.

COLUMBIA GAS OF VIRGINIA, INC.  
By  Karl Stanley  
4E9CC2269327420...  
Title VP Supply & Optimization  
Date 8/22/2024 | 9:03 AM PDT

COLUMBIA GAS TRANSMISSION, LLC  
By   
Title Vice President  
Date Aug 23, 2024

  
8/21/2024 | 8:19 AM CDT

  
8/21/2024 | 7:11 AM PDT

JR JS CL

Appendix B to Service Agreement No. 255792-2



Columbia Gas Transmission, LLC  
700 Louisiana, Suite 1300  
Houston, TX 77002

August 20, 2024

Brad Stuck  
Columbia Gas of Virginia, Inc.  
290 W. Nationwide Blvd.  
Columbus, OH 43215  
Email: bstuck@nisource.com

RE: FTS-VEP Service Agreement No. 255792-2  
Revision 1 to the Amended and Restated Negotiated Rate Letter Agreement

Dear Brad:

Effective September 1, 2024, this Revision 1 to the Amended and Restated Negotiated Rate Letter Agreement ("Revision 1 NRL") between Columbia Gas Transmission, LLC ("Transporter" or "TCO") and Columbia Gas of Virginia, Inc. ("Shipper"), shall set forth the applicable rates and other rate provisions associated with the transportation service provided by Transporter to Shipper pursuant to the above-referenced Service Agreement ("Service"). 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 Rate" during the term for the transportation service provided shall be those rates and terms agreed upon as set forth in the ATTACHMENT B-1 attached hereto.
2. On February 1, 2024, Transporter, pursuant to the Negotiated Daily Demand Rate adjustment mechanism set forth in the Cost Sharing section of the negotiated rate letter executed by and between the parties and dated November 28, 2022 ("Cost Sharing Mechanism"), filed Service Agreement 255792-1 to reflect the parties mutual agreement to decrease the Negotiated Daily Demand Rate to \$0.6933, effective as of the In-Service Date ("Amended and Restated Negotiated Rate Letter Agreement"). Effective September 1, 2024, and again pursuant to the Cost Sharing Mechanism within the Amended and Restated Negotiated Rate Letter Agreement dated January 18, 2024, the Parties have mutually agreed to further decrease the Negotiated Daily Demand Rate

Appendix B to Service Agreement No. 255792-2

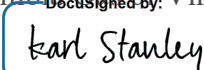
to \$0.6817. This further reduced Negotiated Daily Demand Rate, which becomes effective September 1, 2024, is set forth in ATTACHMENT B-1 attached hereto.

3. Required Approvals. This Revision 1 NRL, together with the Service Agreement will be filed with the Federal Energy Regulatory Commission (“FERC”) and shall be subject to FERC’s acceptance on terms acceptable to Transporter in its sole discretion. If any terms of this Revision 1 NRL are disallowed by any order, rulemaking, regulation or policy of the FERC, Transporter may terminate this Revision 1 NRL with no further notice to Shipper. If any terms of the Agreement are in any way modified by order, rulemaking, regulation or policy of the FERC, Transporter and Shipper may mutually agree to modify this Revision 1 NRL with the goal of ensuring that the original commercial intent of the Parties is preserved. If the Parties cannot mutually agree to modifications hereto, Transporter reserves the right to terminate this Revision 1 NRL with no further notice to Shipper. Transporter will have no liability for any costs incurred by Shipper or related to the Service rendered or contemplated to be rendered hereunder.
4. Effective September 1, 2024, this Revision 1 NRL and supersedes and replaces the Amended and Restated Negotiated Rate Letter Agreement by and between the Parties dated January 18, 2024.

Accepted and agreed to this 23rd day of August 2024.

Columbia Gas of Virginia, Inc.

DocuSigned by:



Karl Stanley

By: 4E9CC2269327420...

Title: VP Supply & Optimization

Date: 8/22/2024 | 9:03 AM PDT

DS



8/21/2024 | 8:19 AM CDT

DS



8/21/2024 | 7:11 AM PDT

Columbia Gas Transmission, LLC

By: 

Title: Vice President

Date: Aug 23, 2024

JR

JS

CL



## Appendix B to Service Agreement No. 255792-2

## ATTACHMENT B-1

## NEGOTIATED RESERVATION RATE

Primary Receipt Point(s)	Primary Delivery Point(s)	Transportation Demand (Dth/day)	Initial Term	Negotiated Daily Demand Rate *	Daily Commodity Rate *	Rate Schedule
Boswells Tavern (75-007219) (meter no. 833097)	Various Delivery Points in Market Areas 33 and 34 **	35,000 Dth/d**	In-Service Date through twenty (20) years thereafter.	\$0.6817/Dth/day	Transporter's maximum generally applicable system commodity rate associated with service under Transporter's Rate Schedule FTS within its Tariff, as such may change from time to time	FTS-VEP

\* The following terms apply:

- Negotiated Daily Demand Rate applies for the Initial Term of the Service and each Extended Term, and is subject to adjustment in accordance with the Cost Sharing provisions set forth below.
- In addition to the Negotiated Daily Demand Rate and Daily Commodity Rate, Shipper shall pay all maximum applicable demand and commodity surcharges, applicable to Incremental Virginia Electrification Project specified under Rate Schedule FTS-VEP set forth in the Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1, as may be amended from time to time ("**Tariff**"), as such may change from time to time. Pursuant to the Tariff, in the event Transporter's Virginia Electrification Project ("**Project**") does not qualify for rolled-in rate treatment, the Capital Cost Recovery Mechanism ("**CCRM**") surcharge existing on the date first written above shall not apply to the firm transportation service associated with the Project capacity; provided however, in the event that FERC ever approves a CCRM or any similar type mechanism designed to recover such costs that would apply to Project capacity, Shipper shall pay the CCRM or similar type cost recovery mechanism (collectively, the Negotiated Daily Demand Rate, the Daily Commodity Rate, and all of the foregoing being the "**Project Rate**").

## Appendix B to Service Agreement No. 255792-2

- If during the Initial Term of the Service and/or any Extended Term, Transporter's maximum base Tariff rate applicable under Rate Schedule FTS is, or is expected to be, greater than the Negotiated Daily Demand Rate then Transporter may require Shipper to convert its Negotiated Daily Demand Rate to an equivalent Discounted Daily Demand Rate (\$0.6817/Dth/day), and Shipper shall continue to pay all other components of the Project Rate without modification thereto.
- In addition to the above, Shipper shall pay the applicable incremental fuel retention rate related to the Project as approved by FERC; provided, however, that Transporter will endeavor to file with FERC to seek rolled-in fuel treatment for the firm transportation service associated with the Project if, in Transporter's sole discretion, such treatment is appropriate and consistent with FERC policy, regulations, precedent, and guidelines, and if FERC approves such rolled-in fuel treatment, Shipper would pay the general system fuel retention applicable to the Transporter's Rate Schedule FTS of Transporter's Tariff.

**\*\* The following is the detailed list of Primary Delivery Points and corresponding Transportation Demand:**

- Petersburg: 2,258 Dth/d
- Chester: 2,723 Dth/d
- Fort Lee: 3,106 Dth/d
- CGV Colonial Heights: 1,192 Dth/d
- Route 60 Midlothian: 4,369 Dth/d
- Courthouse Green: 523 Dth/d
- Oxbridge: 3,226 Dth/d
- Turner Rd: 76 Dth/d
- American Tobacco Plant: 644 Dth/d
- Louisa Co Schools: 190 Dth/d
- Chesterfield Airport: 4,200 Dth/d
- Portsmouth #1: 6,671 Dth/d
- Portsmouth 4 Bowers Hill: 4,534 Dth/d
- Smithfield: 1,092 Dth/d
- Sussex County Prison: 83 Dth/d
- Waverly: 113 Dth/d

### **Secondary Points:**

Shipper shall have secondary receipt point and delivery point access under Transporter's Rate Schedule FTS pursuant to the terms and conditions of the Tariff at Transporter's maximum generally applicable system rates applicable to Incremental Virginia Electrification Project under Transporter's Rate Schedule FTS-VEP within the Tariff, as such may change from time to time.

### **Cost Sharing:**

Transporter and Shipper shall share any actual Project construction cost overruns or savings compared to the Estimated Costs (defined below) on a 50/50 basis via an adjustment to Shipper's Negotiated Daily Demand Rate (i.e., \$0.75/Dth); provided, however, that such adjustment would be subject to a rate adjustment cap or floor of plus or minus \$0.10/Dth. Any such adjustment to Shipper's Negotiated Daily Demand Rate shall be effective beginning on the In-Service Date based

## Appendix B to Service Agreement No. 255792-2

on the Project's then-estimated final costs, and adjusted, if necessary, to keep the Parties whole as if the actual Project costs were known as of the In-Service Date, as soon as administratively feasible based on the Project's final cost report filed with FERC, but not later than the first anniversary date of the In-Service Date. Shipper would have a one-time audit right to be exercised and completed no later than thirteen (13) months after the first (1st) anniversary date of the In-Service Date, at Shipper's sole cost and expense, to review Transporter's books and records as reasonably necessary to verify the actual construction costs associated with the Project.

To effectuate such cost sharing, Shipper's Negotiated Daily Demand Rate shall be adjusted as follows:

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (as further defined below), Shipper's Negotiated 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 1.1333.

To the extent Actual Project Costs (defined below) are less than Estimated Project Costs (as further defined below), Shipper's Negotiated 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 0.8667.

"**Actual Project Costs**" or "**APC**" shall mean all costs and expenses actually incurred and paid by Transporter, including trailing costs up to twelve (12) months subsequent to the actual In-Service Date, to complete the Project in the manner contemplated by the Project's Precedent Agreement by and between Transporter and Shipper dated and effective as of November 24, 2020 ("**Precedent Agreement**"), including but not limited to (a) all costs and expenses incurred and paid for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses actually incurred and paid for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, and (c) all direct and allocated internal overhead and administrative costs, provided that such costs are consistent with industry standards. Transporter shall maintain books and records reasonably necessary for Shipper to verify the APC.

"**Estimated Project Costs**" or "**EPC**" shall mean all costs and expenses that are projected to be incurred and paid by Transporter 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 and paid for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses projected to be incurred and paid for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, provided that such costs are consistent with industry standards, and (d) a contingency amount equal to at least 10% of (a) and (b). For purposes of determining the adjustment to Shipper's Negotiated Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal to \$104,406,000.

"**Capital Cost Overrun**" or "**CCO**" shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC exceeds EPC.

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**“Capital Cost Underrun”** or **“CCU”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC is less than EPC.