

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

Section 4.27
Non-Conf Neg Rate Svc Agmts
Version 0.0.0

Non-Conforming Service Agreement No.
161135

South Jersey Gas Company

Agreement Effective Date: November 1, 2015

Issued: October 9, 2015

Effective: November 1, 2015

Service Agreement No. 161135
Revision No. 1

FTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 9TH day of September, 2015, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and SOUTH JERSEY 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 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No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission.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. 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. Shipper shall be obligated to pay the rates and charges set forth herein on the Actual In-Service Date, regardless of whether Shipper will actually begin receiving service on that date. Shipper shall have a one-time right to extend the term of its Service Agreement for an additional term of 5 years, at the then-effective maximum recourse rates for Rate Schedule FTS. Shipper must notify Transporter of its election to extend the Service Agreement at least six months prior to the termination of the Service Agreement. 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 \$13.08 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 FTS that are set forth in the Tariff,

as those surcharges may be amended, added or modified from time to time. During the primary term of service of fifteen (15) years, Shipper shall not pay Transporter's Capital Cost Recovery Mechanism ("CCRM") charge. Shipper shall pay the maximum commodity rate and commodity surcharges for Rate Schedule FTS set forth in the Tariff. Shipper shall provide the maximum retainage rate for Rate Schedule FTS 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 Eckert and notices to Shipper shall be addressed to it at 215 Cates Road, Egg Harbor Township, NJ 08234, Attention: Timothy Rundall, 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. 161135, 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.

SOUTH JERSEY GAS COMPANY

By [Signature]

Title Sr. Vice President

Date 9/22/15

COLUMBIA GAS TRANSMISSION, LLC

By [Signature]

Title James R. Eckert
Sr Vice President Commercial Operations

Date 9-9-15

Appendix A to Service Agreement No. 161135
Under Rate Schedule FTS
between Columbia Gas Transmission, LLC ("Transporter")
and South Jersey 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 the Actual In- Service Date	10/31/2016	50,000	1/1 – 12/31
11/1/2016	10/31/2017	60,000	1/1 – 12/31
	Fifteen (15) years from the Actual In- Service Date	70,000	1/1 – 12/31

Appendix A to Service Agreement No. 161135
Under Rate Schedule FTS
between Columbia Gas Transmission, LLC ("Transporter")
and South Jersey Gas Company ("Shipper")

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 the Actual In- Service Date	10/31/2016	B18	Milford-21	631922	Milford	50,000		1/1 – 12/31
11/1/2016	10/31/2017	B18	Milford-21	631922	Milford	60,000		1/1 – 12/31
11/1/2017	Fifteen (15) years from the Actual In-Service Date	B18	Milford-21	631922	Milford	70,000		1/1 – 12/31

Appendix A to Service Agreement No. 161135
 Under Rate Schedule FTS
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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 the Actual In- Service Date	10/31/2016	109	South Jersey Gas Co	629898	South Jersey	50,000			1/1 – 12/31
11/1/2016	10/31/2017	109	South Jersey Gas Co	629898	South Jersey	60,000			1/1 – 12/31
11/1/2017	Fifteen (15) years from the Actual In-Service Date	109	South Jersey Gas Co	629898	South Jersey	70,000			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. 161135
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The Master List of Interconnects ("MLP") 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.

SOUTH JERSEY GAS COMPANY

By 

Title Sr. Vice President

Date 9/22/15

COLUMBIA GAS TRANSMISSION, LLC

By 

Title Sr Vice President Commercial Operations

Date 9-9-15