

RECEIVED CASE MANAGEMENT Mary Patricia Keefe

520 Green Lane Union, NJ 07083 pkeere@southernco.com

MAY 11 2018

MAY 1 1 2018 BOARD OF PUBLIC UTILITIES

**BOARD OF PUBLIC UTILITIES** TRENTON, NJ

TRENTON, NJ

Via Electronic Mail & FedEx

May 10, 2018

Aida Camacho, Office of the Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 3rd Fl., Suite 314 P.O. Box 350 Trenton, New Jersey 08625-0350

GT18050518

Re:

Tariff Maintenance In the Matter of the Proposed Amendments to N.J.A.C. 14:4 et seg. Government Energy Aggregation Programs, Energy Anti-Slamming, and Third Party Suppliers, BPU Docket No. EX14111343.

Dear Ms. Camacho:

Pivotal Utility Holding, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") hereby files an original and ten (10) copies of this letter and enclosed tariff sheets in lieu of a formal petition to submit a tariff filing which does not propose increases in charges to customers pursuant to N.J.A.C. 14:1-5.11. This filing is being made to address the Board's recently adopted changes reflected in N.J.A.C. 14:4-2.6 that caps the amount of time that a utility may take to switch a customer's supplier, along with certain tariff housekeeping changes. The tariff sheets, which are contained in Exhibit A, consist of the following:

Sheet No.'s 37, 42, 49, 57, 98, 99 and 103

If you have any questions, please contact Thomas Kaufmann at (908) 662-8461 or tkaufman@southernco.com.

Sincerely,

/s/ Mary Patricia Keefe

Mary Patricia Keefe

Jacqueline Galka, Issue Manager, BPU (via electronic mail) Stacy Peterson, Director, Division of Energy, BPU (via electronic mail) Stefanie Brand, Director, Rate Counsel (via electronic mail) Brian Lipman, Litigation Manager, Rate Counsel (via electronic mail) Felicia-Thomas-Friel, Managing Attorney-Gas, Rate Counsel (via electronic mail) Kenneth T. Maloney Cullen & Dykman (via electronic mail) Deborah Franco Cullen & Dykman (via electronic mail)

J. GALKA

# SERVICE CLASSIFICATION - RESIDENTIAL DELIVERY SERVICE (RDS) (continued)

#### MINIMUM MONTHLY CHARGE:

Service Charge.

#### TERM OF PAYMENT:

All bills are due upon presentation.

#### TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

#### STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS

#### Utilizing a Third Party Supplier

A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. A customer will receive a confirmation notice from the Company noting their choice of supplier and that the customer will have seven (7) calendar days from the date of the confirmation notice to contact the Company and rescind its selection, after which, if not rescinded, the residential customer's TPS enrollment shall be accepted by the Company. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by the TPS.

#### Switching Suppliers

Customer may switch TPSs or return to the Company's BGSS service at any time subject to the conditions of Customer enrollment. A Customer electing to return to the BGSS service should contact their TPS who will carry out the necessary steps with the Company. The decision and steps necessary to switch TPSs are carried out between the newly selected TPS and the Customer. Customer will not be charged a fee to change its TPS or return to BGSS service.

Date of Issue: xxx1

Effective: Service Rendered on and after xxx2

Issued by:

Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

# SERVICE CLASSIFICATION - SMALL GENERAL SERVICE (SGS) (continued)

### Utilizing a Third Party Supplier

A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. A customer will receive a confirmation notice from the Company notifying them of their enrollment by a TPS and that the customer should contact the TPS noted on the letter within seven (7) calendar days if they seek to have it rescinded. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by the TPS.

### 7. Imbalance Charges

To the extent that a TPS ceases operations or under delivers gas. Customers shall be ultimately

# SERVICE CLASSIFICATION - GENERAL DELIVERY SERVICE (GDS) (continued)

II. SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS (TPS) (continued)

### Utilizing a Third Party Supplier

A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. A customer will receive a confirmation notice from the Company notifying them of their enrollment by a TPS and that the customer should contact the TPS noted on the letter within seven (7) calendar days if they seek to have it rescinded. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by the TPS.

### Imbalance Charges

To the extent that a TPS ceases operations or under delivers gas, Customers shall be ultimately responsible for payment of any charges not paid for by their TPS, including but not limited to daily and or monthly imbalance charges for gas supplies consumed by Customer but not delivered by TPS. In the event a TPS fails to pay these charges the customers shall be billed directly by the Company for their direct portion, if by their non-compliance to Company directives to cease gas use, and/or a prorata share by applying the Allocation of Supply terms of the TPS Service Classification, except that essential service gas customers will first be credited with standby gas purchased by the TPS on their behalf.

Date of Issue: xxx1

Effective: Service Rendered on and after xxx2

Issued by:

Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

# SERVICE CLASSIFICATION COMMERCIAL & INDUSTRIAL NATURAL GAS VEHICLE SERVICE (NGV) (continued)

<u>SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS ("TPS"):</u> (continued)

#### Utilizing a Third Party Supplier

A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. A customer will receive a confirmation notice from the Company notifying them of their enrollment by a TPS and that the customer should contact the TPS noted on the letter within seven (7) calendar days if they seek to have it rescinded. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by TPS.

### Imbalance Charges

To the extent that a TPS ceases operations or under delivers gas, Customers shall be ultimately responsible for payment of any charges not paid for by their TPS, including but not limited to daily and/or monthly imbalance charges for gas supplies consumed by Customer but not delivered by TPS. In the event a TPS fails to pay these charges the customers shall be billed directly by the Company for their direct portion, if by their non-compliance to Company directives to cease gas use, and/or a prorata share by applying the Allocation of Supply terms of the TPS Service Classification, except that essential service gas customers will first be credited with standby gas purchased by the TPS on their behalf.

#### Gas Supply Obligation

In the event that Customer's Third Party Supplier fails to deliver, the Company may, in its sole discretion, provide replacement gas supplies. The Company shall have no obligation to provide natural gas supplies to Customers that contract for TPS Service, except for those whose TPS contracted for Standby Service, limited to Essential Gas User customers. In the event that a Customer that is not covered by Standby Service seeks to purchase natural gas supplies from the Company, such sales may be made by the Company in its sole discretion under such terms and conditions as the Company may require.

Date of Issue: xxx1 Effective: Service Rendered on and after xxx2

Issued by: Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

### DETERMINATION OF AVERAGE DAILY DELIVERY QUANTITY ("ADDQ"):

The individual ADDQ for all RDS, SGS, GDS Customers with a DCQ under 500 therms, and NGV Customers shall be calculated as follows:

- Unadjusted ADDQ Customer's weather normalized usage for each of the most recent billing periods, covering an annual period, prorated to calendar months, divided by the total number of days in each billing month. This quotient will be the Customer's Initial ADDQ. For new Customers, Customer's Initial ADDQ will be estimated by Company.
- ADDQ Adjustment At the end of each billing period, Company will calculate the difference between Customer's actual usage and actual deliveries for the billing period, taking into account any adjustments from prior months, and will adjust the Initial ADDQ for the next succeeding month by that difference divided by the total number of days in the month.
- Adjusted ADDQ The sum of items 1 and 2 will be adjusted by 1.5% for Company use and unaccounted for gas to determine the individual customers Adjusted ADDQ.

Company may adjust Customer's individual ADDQ at any time due to changes in Customer's gas equipment or pattern of usage.

The TPS's ADDQ shall be the total of the individual Adjusted ADDQs of all customers it serves that require an ADDQ delivery.

#### PIPELINE IMBALANCES:

Company and TPS recognize that Company may be subjected to imbalance charges from its interstate pipeline suppliers as a result of TPS's failure to deliver confirmed quantities of gas. Company and TPS shall use their best efforts to avoid such imbalance penalties. However, in the event that Company is assessed penalties as a result of TPS's actions or omissions, TPS shall reimburse Company for such penalties as may be attributable to TPS's actions or omissions.

### INDEMNIFICATION:

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting customer.

Date of Issue: xxx1

Effective: Service Rendered on and after July 1, 2017

Issued by:

Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

### ALLOCATION OF SUPPLIES:

If a TPS is delivering gas to Customers under more than one Service Classification, such as RDS, GDS, FTS and/or ITS, and does not provide the supply allocations, then gas received by the Company in that month from the Third Party Supplier shall be allocated as follows:

- First, to the ADDQ of RDS customers
- Second, to the ADDQ of SGS, GDS and NGV customers
- 3. Third, to the GDS customers not subject to ADDQ and FTS customers
- Last, to ITS and special contract customers

However, a TPS may specify individual supply allocations for its GDS customers not subject to the ADDQ, FTS, ITS and special contract Customers no later than one (1) business day following the date the TPS receives final month end measurement data for these customers from the Company.

#### DAILY AND MONTHLY CONTRACT BALANCING:

All balancing charges shall be charged to the TPS and are in addition to any other charges under this Service Classification. The Distribution Charge in the Charge Per Month of the Customers Service Classification is based upon actual consumption not Third Party Supplier deliveries.

#### a) Daily Imbalance Charge:

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries, net of an adjustment for Company Use and Unaccounted for Gas, received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Service Classifications under which Customers of the TPS are served.

During the months of November through April, the TPS will be required to balance daily deliveries and daily takes of transported gas by the customers it serves on any day when the average temperature at Newark Airport is forecast to be 27°F or less. However, the Company reserves the right to waive this requirement. The Company reserves the right during the months of November through April to require daily balancing on any other day in which the Company, in the exercise of its reasonable judgment, determines that such balancing is necessary for operational reasons. The Company will provide the TPS in all instances with at least twenty-four (24) hours advance notice that daily balancing will be imposed daily.

Date of Issue: xxx1

Effective: Service Rendered on and after July 1, 2017

Issued by:

Brian MacLean, President

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Union, New Jersey 07083

#### SPECIAL PROVISIONS:

In addition to the preceding terms and conditions of this Service Classification, the following terms and conditions shall apply to all TPSs providing service to Customers receiving service from Company under Service Classifications RDS, SGS, GDS, NGV, FTS and ITS. If, and to the extent that, any portion of the following is in conflict with previous terms of this Service Classification, the terms that follow shall govern.

### Enrollment of RDS, SGS, GDS and NGV Customers

TPS must enroll RDS, SGS, GDS and NGV Customers in accordance with the Company electronic enrollment procedures. Customer consent is assumed if the TPS provides the Company with the Customer's account number and service address and any other information that may be required by the Company, RDS customers will receive a confirmation notice from the Company noting their choice of supplier and that the RDS customer will have seven (7) calendar days from the date of the confirmation notice to contact the Company and rescind its selection, after which, if not rescinded, the RDS customer's TPS enrollment shall be accepted by the Company. TPS supply service will commence for all enrollments received by the 10th of a month, inclusive of those RDS customers that are not rescinded, on the customer's next month's cycle meter reading date. TPS shall indemnify and hold Company harmless from any costs incurred by Company as a result of TPS's erroneous or improper enrollment of Customers.

The Company must comply with all Customer instructions verbal or written to rescind or change service with a TPS. TPS must initiate all transactions required by the Company to rescind service on the day such instructions are received by the TPS from the Company or Customer. A Customer returning to sales service will be effective on the Customer's first billing cycle meter read date following the date on which the Company has changed the TPS's ADDQ requirement. A Customer will be switched to another TPS effective on the cycle read date following the reassignment of the Customer's ADDQ for gas nominations.

### Requirements for RDS and Essential Gas Use Customers

Any TPS seeking to serve such Customers must demonstrate that it possesses Comparable Capacity or Standby in a quantity sufficient to serve Customers' Unadjusted ADDQ or DCQ requirements during the months of November through March.

"Comparable Capacity" is a firm non-recallable service at Elizabethtown's city gate(s). The Company reserves the right to limit the service to 70% on Transcontinental Gas Pipe Line Corporation's ("Transco") system and the remaining 30% on Texas Eastern Transmission Corporation's ("Tetco") system.

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on and after xxx2

Issued by:

Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

# SERVICE CLASSIFICATION – RESIDENTIAL DELIVERY SERVICE (RDS) (continued)

#### MINIMUM MONTHLY CHARGE:

Service Charge.

#### TERM OF PAYMENT:

All bills are due upon presentation.

#### TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

#### STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS

#### Customer EnrollmentUtilizing a Third Party Supplier

A customer choosing to receive gas supply service from a TPS will be enrolled for such service by the TPS with which they A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf, contracted for gas supply service. A customer will receive a confirmation notice from the Company noting their choice of supplier and that the customer will have seven (7) calendar days from the date of the confirmation notice to contact the Company and rescind its selection, after which, if not rescinded, the residential customer's TPS contract enrollment shall be legally bindingaccepted by the Company. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by the TPS. TPS supply service under this Service Classification will commence on the next month's cycle meter reading date following the conclusion of the rescission period.

#### Switching Suppliers

Customer may switch TPSs or return to the Company's BGSS service at any time subject to the conditions of Customer enrollment. A Customer electing to return to the BGSS service should contact their TPS who will carry out the necessary steps with the Company. The decision and steps necessary to switch TPSs are carried out between the newly selected TPS and the Customer. Customer will not be charged a fee to change its TPS or return to BGSS service.

Date of Issue: June 30, 2017 xxx1 Effective: Service Rendered on and after July 1, 2017 xxx2

Issued by: Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

ELIZABETHTOWN GAS B. P. U. NO. 15 – GAS

ORIGINALIST REVISED SHEET NO. 42

## SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS) (continued)

#### Utilizing a Third Party Supplier

A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. A customer will receive a confirmation notice from the Company notifying them of their enrollment by a TPS and that the customer should contact the TPS noted on the letter within seven (7) calendar days if they seek to have it rescinded. Customers utilizing brokers, marketers or other third party suppliers (collectively Third Party Suppliers, "TPS") either as agents or as suppliers of gas into the Company's system, must notify the Company in writing of the TPS that will be used in any particular month. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by the TPS. Any Customer or TPS that wishes to deliver gas into the Company's system prior to commencing deliveries must be a qualified TPS under the Company's TPS service classification. Changes in the designation of a TPS received by the fifteenth (15th) of the month will be effective in the following month.

#### Imbalance Charges

To the extent that a TPS ceases operations or under delivers gas, Customers shall be ultimately responsible for payment of any charges not paid for by their TPS, including but not limited to daily and or monthly imbalance charges for gas supplies consumed by Customer but not delivered by TPS. In the event a TPS fails to pay these charges the customers shall be billed directly by the Company for their direct portion, if by their non-compliance to Company directives to cease gas use, and/or a prorata share by applying the Allocation of Supply terms of the TPS Service Classification, except that essential service gas customers will first be credited with standby gas purchased by the TPS on their behalf.

#### Unauthorized Use

This Service Classification is subject to Section I, Item 17, Unauthorized Gas Use of the Standard Terms and Conditions.

### 9. Gas Supply Obligation

In the event that Customer's Third Party Supplier fails to deliver, the Company may, in its sole discretion, provide replacement gas supplies. The Company shall have no obligation to provide natural gas supplies to Customers that contract for TPS Service, except for those whose TPS contracted for Standby Service, limited to Essential Gas User customers. In the event that a Customer that is not covered by Standby Service seeks to purchase natural gas supplies from the Company, such sales may be made by the Company in its sole discretion under such terms and conditions as the Company may require.

Date of Issue: June 30, 2017 xxx1

Effective: Service Rendered on and after July 1, 2017xxx2

Issued by:

Brian MacLean, President

520 Green Lane

Union, New Jersey 07083

# SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS) (continued)

II. SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS (TPS) (continued)

### 6. Utilizing a Third Party Supplier

Customers utilizing brokers, marketers or other third party suppliers (collectively Third Party Suppliers, "TPS") either as agents or as suppliers of gas into the Company's system, must notify the Company in writing of the TPS that will be used in any particular mo A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. nthA customer will receive a confirmation notice from the Company notifying them of their enrollment by a TPS and that the customer should contact the TPS noted on the letter within seven (7) calendar days if they seek to have it rescinded. Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by the TPS. Any Customer or TPS that wishes to deliver gas into the Company's system prior to commencing deliveries must be a qualified TPS under the Company's TPS service classification.

#### Imbalance Charges

To the extent that a TPS ceases operations or under delivers gas, Customers shall be ultimately responsible for payment of any charges not paid for by their TPS, including but not limited to daily and or monthly imbalance charges for gas supplies consumed by Customer but not delivered by TPS. In the event a TPS fails to pay these charges the customers shall be billed directly by the Company for their direct portion, if by their non-compliance to Company directives to cease gas use, and/or a prorata share by applying the Allocation of Supply terms of the TPS Service Classification, except that essential service gas customers will first be credited with standby gas purchased by the TPS on their behalf.

Date of Issue: June 30, 2017xxx1 Effective: Service Rendered on and after July 1, 2017xxx2

Issued by: Brian MacLean, President

520 Green Lane Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated June 30, 2017 xxx3 in Docket No. GR16090826xxx4

ELIZABETHTOWN GAS B. P. U. NO. 15 – GAS

ORIGINALIST REVISED SHEET NO. 57

# SERVICE CLASSIFICATION COMMERCIAL & INDUSTRIAL NATURAL GAS VEHICLE SERVICE (NGV) (continued)

SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS ("TPS"): (continued)

### Utilizing a Third Party Supplier

Customers utilizing brokers, marketers or other TPSs either as agents or as suppliers of gas into the Company's system must notify the Company in writing of the TPS that will be used in any particular month A customer choosing to contract with a TPS for supply service will be enrolled for this service with the Company by the TPS on their behalf. A customer will receive a confirmation notice from the Company notifying them of their enrollment by a TPS and that the customer should contact the TPS noted on the letter within seven (7) calendar days if they seek to have it rescinded. —Customer agrees that as between the Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by TPS. Any Customer or TPS that wishes to deliver gas into the Company's system prior to commencing deliveries must be a qualified TPS under the Company's TPS service classification.

#### 7. Imbalance Charges

To the extent that a TPS ceases operations or under delivers gas, Customers shall be ultimately responsible for payment of any charges not paid for by their TPS, including but not limited to daily and/or monthly imbalance charges for gas supplies consumed by Customer but not delivered by TPS. In the event a TPS fails to pay these charges the customers shall be billed directly by the Company for their direct portion, if by their non-compliance to Company directives to cease gas use, and/or a prorata share by applying the Allocation of Supply terms of the TPS Service Classification, except that essential service gas customers will first be credited with standby gas purchased by the TPS on their behalf.

#### Gas Supply Obligation

In the event that Customer's Third Party Supplier fails to deliver, the Company may, in its sole discretion, provide replacement gas supplies. The Company shall have no obligation to provide natural gas supplies to Customers that contract for TPS Service, except for those whose TPS contracted for Standby Service, limited to Essential Gas User customers. In the event that a Customer that is not covered by Standby Service seeks to purchase natural gas supplies from the Company, such sales may be made by the Company in its sole discretion under such terms and conditions as the Company may require.

Date of Issue: June 30, 2017xxx1

Effective: Service Rendered on and after July 1, 2017xxx2

Issued by:

Brian MacLean, President

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Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated June 30, 2017xxx3 in Docket No. GR16090826-xxx4

ELIZABETHTOWN GAS B. P. U. NO. 15 - GAS

ORIGINAL1ST REVISED SHEET NO. 98

# SERVICE CLASSIFICATION – THIRD PARTY SUPPLIERS (TPS) SERVICE (continued)

### DETERMINATION OF AVERAGE DAILY DELIVERY QUANTITY ("ADDQ"):

The individual ADDQ for all RDS, <u>SGS</u>, <u>and those</u> GDS Customers with a DCQ under 500 therms, and NGV Customers shall be calculated as follows:

- Unadjusted ADDQ Customer's weather normalized usage for each of the most recent billing periods, covering an annual period, prorated to calendar months, divided by the total number of days in each billing month. This quotient will be the Customer's Initial ADDQ. For new Customers, Customer's Initial ADDQ will be estimated by Company.
- 2. <u>ADDQ Adjustment</u> At the end of each billing period, Company will calculate the difference between Customer's actual usage and actual deliveries for the billing period, taking into account any adjustments from prior months, and will adjust the Initial ADDQ for the next succeeding month by that difference divided by the total number of days in the month.
- Adjusted ADDQ The sum of items 1 and 2 will be adjusted by 1.5% for Company use and unaccounted for gas to determine the individual customers Adjusted ADDQ.

Company may adjust Customer's individual ADDQ at any time due to changes in Customer's gas equipment or pattern of usage.

The TPS's ADDQ shall be the total of the individual Adjusted ADDQs of all customers it serves that require an ADDQ delivery.

#### PIPELINE IMBALANCES:

Company and TPS recognize that Company may be subjected to imbalance charges from its interstate pipeline suppliers as a result of TPS's failure to deliver confirmed quantities of gas. Company and TPS shall use their best efforts to avoid such imbalance penalties. However, in the event that Company is assessed penalties as a result of TPS's actions or omissions, TPS shall reimburse Company for such penalties as may be attributable to TPS's actions or omissions.

#### INDEMNIFICATION:

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting customer.

Date of Issue: June 30, 2017 xxx1

Effective: Service Rendered on and after July 1, 2017

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Union, New Jersey 07083

#### **ALLOCATION OF SUPPLIES:**

If a TPS is delivering gas to Customers under more than one Service Classification, such as RDS, GDS, FTS and/or ITS, and does not provide the supply allocations, then gas received by the Company in that month from the Third Party Supplier shall be allocated as follows:

- 1. First, to the ADDQ of RDS customers
- 2. Second, to the ADDQ of SGS, GDS and NGV customers
- 3. Third, to the GDS customers not subject to ADDQ and FTS customers
- Last, to ITS and special contract customers

However, a TPS may specify individual supply allocations for its GDS customers not subject to the ADDQ, FTS, ITS and special contract Customers no later than one (1) business day following the date the TPS receives final month end measurement data for these customers from the Company.

### DAILY AND MONTHLY CONTRACT BALANCING:

All balancing charges shall be charged to the TPS and are in addition to any other charges under this Service Classification. The Distribution Charge in the Charge Per Month of the Customers Service Classification is based upon actual consumption not Third Party Supplier deliveries.

#### a) Daily Imbalance Charge:

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries, net of an adjustment for Company Use and Unaccounted for Gas, received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Service Classifications under which Customers of the TPS are served.

During the months of November through April, the TPS will be required to balance daily deliveries and daily takes of transported gas by the customers it serves on any day when the average temperature at Newark Airport is forecast to be 27°F or less. However, the Company reserves the right to waive this requirement. The Company reserves the right during the months of November through April to require daily balancing on any other day in which the Company, in the exercise of its reasonable judgment, determines that such balancing is necessary for operational reasons. The Company will provide the TPS in all instances with at least twenty-four (24) hours advance notice that daily balancing will be imposed daily.

Date of Issue: June 30, 2017xxx1

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Brian MacLean, President

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