



**South Jersey Energy**

*Where we put all of our energy®*

January 13, 2011



Ms. Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

Re: DM 10-297, Application of South Jersey Energy Company to become a Competitive Natural Gas Supplier

Dear Ms. Howland:

Please accept this supplemental information to South Jersey Energy Company's ("SJE") application to become a Competitive Natural Gas Supplier in the state of New Hampshire.

As stated in my December 7, 2010 letter, SJE was working with Tennessee Gas Pipeline ("Tennessee") to become an approved shipper on their system. Attached is an executed copy of the Supplier License Agreement between Tennessee Gas Pipeline and South Jersey Energy. This agreement is issued to parties on Tennessee's system once they have met all of their requirements to be a shipper on the Tennessee system.

If you or your staff needs any additional information, please don't hesitate to contact me. I can be reached at (609) 568-9028 ext. 6964. Thank you for your attention to this matter.

Sincerely,

Stacey M. Barnes  
Manager Business Expansion

#### SYSTEM LICENSE AGREEMENT

This System License Agreement is entered into this 20<sup>th</sup> day of December, 2010, by and between Tennessee Gas Pipeline Company, and South Jersey Energy Company ("Subscriber"). Pipeline and Subscriber shall be collectively referred to as the "Parties."

#### ARTICLE I - SCOPE OF AGREEMENT

Pipeline shall make available for use by Subscriber Pipeline's interactive computer system, ("the System"). Subscriber shall use the System to (1) request new services under applicable rate schedules; (2) request and execute amendments of existing service agreements; (3) nominate quantities for receipt and delivery by Pipeline pursuant to an existing service agreement under any of Pipeline's rate schedules; (4) effect changes in nominations of quantities for receipt and delivery by Pipeline pursuant to an existing service agreement in accord with the rate schedule pursuant to which service is rendered; (5) participate in Pipeline's capacity release program (e.g., post release requests, bid on capacity) in accord with provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff; and (6) use the Pipeline Mapping System. Subscriber may also use the System to request and receive from Pipeline such other information as Pipeline may from time to time make available to Subscriber through the System.

#### ARTICLE II - TERMS AND CONDITIONS OF AUTHORIZED USE

- 2.1 Upon Subscriber's request, Pipeline will make available to Subscriber any software necessary to operate the System. Pipeline and Subscriber will agree on the number of copies which Pipeline will make available to Subscriber, not to exceed five (5) copies. Subscriber is not authorized to make any additional copies without the express written consent of Pipeline. Any System software remains the property of Pipeline, and Subscriber shall return to Pipeline any software issued by Pipeline within five (5) days of the expiration or termination of this Agreement or within five (5) days of any demand by Pipeline for the return of such software upon breach by Subscriber of its obligations hereunder.
- 2.2 Subscriber recognizes that the System will operate properly only if Subscriber utilizes the hardware and software as posted on Pipeline's web site under "Notices."
- 2.3 Pipeline will provide Subscriber with a User ID and a unique password for each authorized user within Subscriber. To prevent unauthorized access, Subscriber shall be responsible for securing physical access to the System and to keep confidential its User ID and all passwords provided by Pipeline.
- 2.4 Subscriber shall identify one or more of its employees and/or officers to perform the contracting function and thereby legally bind Subscriber to any service agreement or amended service agreement entered into with Pipeline. Subscriber represents and warrants to Pipeline that the person(s) which have been designated for the contracting function have been duly authorized by the Subscriber to enter into service agreements or amended service agreements with Pipeline.
- 2.5 Liability -- Subscriber shall be solely responsible for any and all unauthorized or otherwise improper use of User ID and passwords issued by Pipeline to Subscriber that results from Subscriber's negligence, including, but not limited to the use of such User ID and passwords by Subscriber's personnel who at some point are no longer in Subscriber's employment or control. Upon evidence of unauthorized or improper use of a User ID or password, Pipeline reserves the right to invalidate, upon 72 hours prior notice, any such password or User ID.

Subscriber shall defend and indemnify Pipeline from and against any and all claims, demands and actions, and any resulting loss, costs, damages and expenses (including court costs and reasonable attorneys fees) of any nature whatsoever which may be asserted against or imposed upon Pipeline by any person as a result of the unauthorized or otherwise improper use of any User ID or password issued by Pipeline to Subscriber, except when such unauthorized or improper use is the result of negligence or wrongful conduct on the part of the Pipeline.

SYSTEM LICENSE AGREEMENT (continued)

ARTICLE III - INITIATION/MODIFICATION OF SERVICE

- 3.1 Following transmittal of Subscriber's request for service or amendment of existing service, such request shall be evaluated and accepted or rejected by Pipeline in accord with the General Terms and Conditions of its FERC Gas Tariff. If such request is accepted by Pipeline, Subscriber will be notified by Pipeline of such acceptance via the System and Subscriber shall execute on-line the requested new service or amendment of existing service.
- 3.2 With respect to requests for new transportation or storage service, Subscriber, at the time that it executes on-line its request in accord with Section 3.1 above, agrees to be bound by the terms and conditions of the pro-forma service agreement contained in Pipeline's FERC Gas Tariff which corresponds to the Rate Schedule under which the Subscriber is seeking service, as modified to incorporate the terms of the service request.
- 3.3 With respect to requests for modifications to meters in an existing service agreement between Subscriber and Pipeline, the Subscriber agrees to be bound by the terms and conditions of the pro forma contract amendment contained in Pipeline's FERC Gas Tariff, as modified to incorporate the meter modifications executed on-line by Subscriber.

ARTICLE IV - RELEASE AND DISCLAIMER OF LIABILITY/INDEMNIFICATION

- 4.1 Except for the negligence, bad faith, fraud or willful misconduct of Pipeline, Pipeline expressly disclaims any and all liability for loss or damage to Subscriber or to any third parties associated with Subscriber's use of the System, including but not limited to any loss or damage resulting from any one or more of the following: (1) Subscriber's negligent or otherwise improper use of the System; (2) any unauthorized use of the System, whether by Subscriber, Subscriber's employees or former employees, or by any other persons; (3) any acts of God or force majeure, as defined in Article XII of Transporter's General Terms and Conditions, and also including electrical shortage and/or power outages; (4) any defects in computer hardware; (5) any interruption in or malfunction of electronic communication or transmission not within the Pipeline's control. Such causes or contingencies affecting the performance of this Agreement shall not relieve Pipeline of liability in the event (a) it fails to use due diligence to remedy the situation and remove the causes or contingencies affecting performance of this Agreement or (b) it fails to give Subscriber notice and full particulars of the same in writing or by telegraph or facsimile as soon as possible after the event or situation arises.
- 4.2 Subscriber agrees to protect, defend, indemnify, and hold harmless Pipeline against any and all loss, costs, damages, and expenses of any nature whatsoever (including court costs and reasonable attorney's fees), resulting from or otherwise related to any claim, demand, or action asserted against Pipeline, arising from or connected with Subscriber's use of the System except for the negligence, bad faith, fraud or willful misconduct of Pipeline.

ARTICLE V - TERM

This Agreement shall be and continue in full force and effect from the date of execution hereof until twelve (12) months after implementation of restructured services pursuant to Order No. 636 by Pipeline and shall continue thereafter on a month to month basis unless terminated by Pipeline for due cause or at the request of Subscriber. Subscriber agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority to make changes in the rates, charges, terms and conditions applicable to service pursuant to this Agreement or any provisions of the General Terms and Conditions applicable to this Agreement. Pipeline agrees that Subscriber may protest or contest the aforementioned filings and that Subscriber does not waive any rights it may have with respect to such filings.

SYSTEM LICENSE AGREEMENT (continued)

ARTICLE VI - NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

Pipeline: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Director, Transportation Services

SUBSCRIBER: South Jersey Energy Company  
One North White Horse Pike  
Hammonton, NJ 08037  
  
Attention: Karen Longinetti

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII - MISCELLANEOUS

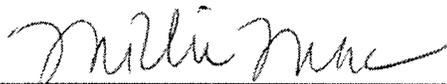
- 7.1 Conformance with Tariff -- Subscriber's use of the System shall be in accordance with and subject to Pipeline's currently effective FERC Gas Tariff, including any and all applicable provisions of the General Terms and Conditions and the terms and conditions of any relevant rate schedules, all of which terms and conditions are incorporated herein by reference. In the event of a conflict between the terms and conditions of this Agreement and any other applicable terms and conditions set forth in Pipeline's FERC Gas Tariff, such other terms and conditions shall govern. For Subscriber's convenience, the terms and provisions of Pipeline's FERC Gas Tariff are available on the System. In the event of a conflict between what is displayed on the System and Pipeline's currently effective FERC Gas Tariff on file with the Federal Energy Regulatory Commission (FERC), Pipeline's currently effective tariff on file with FERC shall govern.
- 7.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO DOCTRINES GOVERNING CHOICE OF LAW.
- 7.3 This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter either state or federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.
- 7.4 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 7.5 Unless otherwise expressly provided in this Agreement or in Pipeline's FERC Gas Tariff, no modification of or supplement to the terms and provisions hereof shall be or become effective, until Subscriber has submitted a request for change in accordance with Article III hereof.
- 7.6 This Agreement, as of the date of its execution, shall supersede and cancel any previously executed agreements between Pipeline and Subscriber with respect to the use of the System.
- 7.7 Pipeline reserves the right to modify or replace the System at any time.

SYSTEM LICENSE AGREEMENT (continued)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

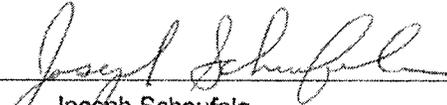
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ADH*

By:   
Agent and Attorney-in-Fact

Accepted and Agreed to this

13 day of January, 2011

SUBSCRIBER South Jersey Energy Company

By:   
Name: Joseph Scheufele  
Title: AVP, Business Development