

**AGREEMENT ("Agreement")**  
**Effective July 1, 2007**

**BETWEEN**

Halifax-American Energy Company, LLC, a New Hampshire Limited Liability Company, 816 Elm Street, Suite 364 Manchester, NH 03101 (hereinafter referred to as "HAEC");

**AND**

South Jersey Energy Company, 1 South Jersey Plaza, Folsom, NJ 08037 (hereinafter referred to as "SJEC")

WHEREAS, HAEC wishes to have an ongoing relationship with Emera Energy Ltd., (hereinafter referred to as "Emera") whereby Emera may act as a upstream wholesale supplier under one or more agreements and/or Confirmations for swaps, options, or other financially settled transactions, the purchase and sale of natural gas, electric power and/or capacity, including but not limited to any power pool agreements (as amended, supplemented, renewed, or extended, entered into with Emera, collectively, the "Contracts") to HAEC for the resell of such said Products to certain Clients ; and

WHEREAS, HAEC wishes to have an ongoing relationship with SJEC whereby SJEC may act as a wholesale supplier under one or more agreements and/or confirmations for swaps, options, or other financially settled transactions, the purchase and sale of natural gas, electric power and/or capacity, including but not limited to any power pool agreements as amended, supplemented, renewed, or extended to HAEC for the resell of such said Products to certain Clients ; and

WHEREAS, HAEC will receive compensation from its Clients for the purchase and sale of swaps, options, or other financially settled transactions, and the purchase and sale of natural gas and electric power supplied at wholesale by SJEC;

WHEREAS, HAEC and SJEC wish to enter into this Agreement to set forth their agreements to carry out the foregoing business purposes;

NOW, THEREFORE, HAEC and SJEC hereby covenant and agree as follows:

**ARTICLE 1.**  
**DEFINITIONS/INTERPRETATION**

1.1 Definitions. In addition to terms defined elsewhere in this Agreement, the following definitions shall have the following meanings:

"Business Day" means any day other than (a) a Saturday or a Sunday, or (b) any other day on which banks in the United States of America are permitted or required to be closed.

"Clients" means any and all clients of HAEC to which any Products are sold, and shall initially include those Clients listed on Exhibit A attached hereto (which Exhibit A the Parties agree to endeavor to update throughout the course of this Agreement, but Exhibit A shall not be deemed to be exhaustive of all of such Clients).

"Confirmation" means a communication between HAEC and SJEC via a Confirmation Letter or recorded telephone conversation which sets forth the specific terms of a transaction.

"Confirmation Letter" means a written notice which sets forth the specific terms of a transaction agreed to by HAEC and SJEC.

"Contracts" means any and all agreements and/or Confirmations for swaps, options, or other financially settled transactions, the purchase and sale of natural gas, electric power and/or capacity, including but not limited to any power pool agreements, entered into with SJEC.

"Party" or "Parties" means SJEC and HAEC collectively.

"Products" means swaps, options, or other financially settled transactions; natural gas, which term shall include, but not be limited to, transport and liquefied natural gas; and electric power, including but not limited to electric capacity and transmission and power pool agreements.

"Regulatory Agencies" shall have the meaning given in Section 3.1

"Regulatory Approvals" shall have the meaning given in Section 3.1

"Suppliers" shall mean any and all wholesale suppliers of any Products.

## ARTICLE 2. EFFECTIVE DATE AND TERMINATION

2.1 This Agreement shall be effective and remain in full force and binding upon the Parties on the date of its execution as specified above ("Effective Date"), until dissolved pursuant to Article 6 below.

**ARTICLE 3.  
JOINT VENTURE ARRANGEMENT**

3.1. Commencing on July 1, 2007, and ending on the dissolution of the business of the Joint Venture (as provided in this Agreement), all profits attributable to the Joint Venture, shall be allocated as follows: HAEC—fifty percent (50 %); SJEC — fifty percent (50 %). This profit which shall be known as the Electricity Transaction Fee, shall be payable to SJEC within ten (10) business days after HAEC receives compensation from its Client. In the event that HAEC does not receive payment from its Client, no payment shall be due to SJEC until collected and at such time, HAEC agrees to submit the Electricity Transaction fee payment to SJEC within ten (10) business days of receipt of such collection. HAEC shall remain obligated to pay the Electricity Transaction Fee with respect to each Client for which electricity is sold under this JV Agreement for the duration and the life of such contracts.

3.2. Except as provided below, HAEC shall manage the day to day business affairs of the Joint Venture for the purposes herein stated and shall make the ordinary and routine management decisions affecting the business of the Joint Venture. HAEC shall manage and control the affairs of the Joint Venture to the best of its ability and shall use its best efforts to carry out the business of the Joint Venture. SJEC shall not participate in or have any control over the Joint Venture business nor shall it have any authority or right to act for or bind the Joint Venture; provided, however, that HAEC shall not take any of the following actions with respect to any Clients, any Supplier, or the Joint Venture without the prior written consent of SJEC, which consent shall not be unreasonably withheld: (i) the dissolution of the Joint Venture; (ii) any other decision or action for which approval of the Parties is required by any provision of this Agreement, or which materially affects the Joint Venture.

3.3. SJEC will be responsible for negotiating arrangements with Emera and any other Supplier with whom SJEC may have a relationship, whereby such Suppliers may provide financial transactions, and/or purchase and sell physical natural gas and electric power to HAEC in a manner that will enable HAEC to sell said Products in a commercially reasonable manner. HAEC shall have full, exclusive and complete authority and discretion to accept or reject said arrangements negotiated by SJEC with Emera and any other Supplier.

**ARTICLE 4.  
OTHER BUSINESS OF THE PARTIES TO THIS AGREEMENT**

4.1 Subject to the terms of this Agreement, the Parties to this Agreement may have interests in businesses other than the Joint Venture business. The Joint Venture shall not have the right to the income or proceeds derived from such other business interests and, even if they are competitive with the Joint Venture business, such business interests shall not be deemed wrongful or improper, provided such is not in violation of the terms of this Agreement.

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**ARTICLE 5.  
ASSIGNMENT AND SUCCESSION**

5.1 Neither Party may assign or otherwise transfer any interest, rights, or obligations under the Agreement (whether by way of security or otherwise), or pledge the Agreement or the proceeds therefrom as security for any obligation, without the other Party's consent, which consent shall not be unreasonably withheld except that a Party may make such assignment or transfer without the consent of the other Party but upon written notice to the other Party if the transfer is pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to another entity (but without prejudice to any other right or remedy under this Agreement; provided however, that the assigning Party shall not be released from liability under this Agreement.

**ARTICLE 6.  
TERMINATION AND DISSOLUTION**

6.1 This Agreement may be terminated, and the Joint Venture shall be dissolved, upon the happening of any of the following events:

(i) The adjudication of a bankruptcy filing of a petition pursuant to a Chapter of the Federal Bankruptcy Code, or withdrawal, removal or insolvency of either of the Parties, or the appointment of a receiver for all or substantially all of the assets of a Party and the failure to have such receiver discharged within thirty (30) days after appointment;

(ii) A non-defaulting Party may terminate this Agreement if the other Party has violated or breached any term or provision of this Agreement and has failed to remedy or cure such violation within thirty (30) days after written notice of such violation from the non-defaulting Party; or

(iii) Mutual agreement of the Parties.

**ARTICLE 7.  
NON-CIRCUMVENTION**

7.1 HAEC shall not arrange, directly or indirectly, without the prior written consent of SJEC, for Emera to provide financial transactions, and/or supply physical natural gas and electric power or any other Products to any of its Clients. All information provided by SJEC to HAEC concerning its confidential business transactions, contacts and other information (the "SJEC Confidential Information") is the confidential information of SJEC. HAEC shall not use, or assist others in using, any of SJEC's Confidential Information for competitive trade purposes. HAEC shall deal exclusively through SJEC in communicating with Emera except where SJEC has specified otherwise.

**ARTICLE 9.  
INDEPENDENT CONTRACTOR**

9.1 Each Party will have complete control of and supervision over, its employees, tools and equipment, and the methods and procedures used in the performance of this Agreement or operations incidental thereto. It is expressly understood and agreed between the Parties hereto that each Party shall be, and shall operate as, an independent contractor in the performance of this Agreement.

**ARTICLE 10.  
NOTICE**

10.1 Any notice to be delivered to either of the Parties by the other, shall be in writing, and given by registered mail, facsimile transmission, electronic mail or in person, addressed as follows:

To SJEC:                    South Jersey Energy Company  
                                  **Attn: Louis A. DeCicco**  
                                  **General Manager - South Jersey Energy Company**  
                                  1 South Jersey Plaza  
                                  Folsom, NJ 08037  
  
                                  **Phone: 609-568-9028 Ext. 6915**  
                                  **Email: ldcicco@sjindustries.com**

To HAEC:                    Halifax – American Energy Company  
                                  August G. Fromuth , Managing Partner  
                                  816 Elm Street, Suite 364  
                                  Manchester NH 03101-2105  
                                  Phone: (603) 625-2244  
                                  Fax: (603) 625-8448  
                                  E-Mail energy49@comcast.net

and shall be deemed to have been received by the addressee on the 4<sup>th</sup> Business Day following the date of posting, in the case of registered mail, immediately upon transmission, in the case of facsimile transmission or electronic mail, and upon receipt in the case of personal delivery. The Parties may, by notice, in writing, vary the address for delivery of notices pursuant to this Agreement.

**ARTICLE 11.  
GOVERNING LAWS**

**THIS AGREEMENT SHALL BE IN ALL RESPECTS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF New Hampshire, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.**

**ARTICLE 12.  
MISCELLANEOUS**

12.1 Tax Matters. For federal and state income tax purposes, the Joint Venture shall be treated as a partnership. Allocations of profits and losses and other necessary allocations shall be made pursuant to regulations under IRC Section 704. Partnership profits and losses shall be allocated in accordance with Section 12. An election will not be made by the partnership under Reg. Sec. 301.6231(a)(1) – 1T(b)(2) to be covered by the rules governing consolidated audit proceedings. .

It is not anticipated that any sales, use or other transaction taxes will be incurred on the transactions contemplated by this Agreement. If either Party believes that it will incur such taxes, it will inform the other Party immediately. Each Party is responsible for filing any applicable exemptions and making any other required filings relating to sales, use or other transaction taxes which relate to transactions entered into by the Party.

12.2 Access to Books and Records. HAEC agrees to keep such books and records (which books and records shall be maintained on a consistent basis and substantially in accordance with generally accepted accounting principles) and shall readily disclose the basis for any and all transactions related to the matters described in this Agreement (either with respect to the payment of any Transaction Fee, the Joint Venture, or otherwise), and shall make such books and records available during normal business hours for examination and audit by SJEC, at SJEC' expense, prior to, and for a period of two (2) years after the occurrence of any such transaction. HAEC also agrees to provide SJEC and its agents reasonable access to its facilities and personnel to periodically review the operations, policies and procedures related to or affecting the matters contemplated in this Agreement.

12.3 Additional Funding by Parties. The Parties acknowledge and agree that one or both Parties may be required to post funds, letters of credit, bank deposits, open up new bank accounts on behalf of HAEC or the Joint Venture, or otherwise to further the purposes of this Agreement, and at such time as any such financial accommodations are required to be made, the Parties shall set forth in a separate agreement (which shall be attached as an addendum to this Agreement) their mutual agreements relating to such financial accommodations.

**12.4 Confidential Information.** The Parties understand and agree that all information relating to this Agreement, the Joint Venture, and to the parties, their respective services, prices, customers, activities and other confidential information shall be treated by them as confidential and proprietary to them and shall not, without the prior written consent of the parties, be disclosed to any person, firm, company or entity.

A party shall have no obligation to preserve the proprietary nature of such information which (i) was previously known to such party free of any obligation to keep it confidential, (ii) is or becomes publicly available by other than unauthorized disclosure, (iii) is developed by or on behalf of such party independent of any such confidential information, (iv) is received from a third party whose disclosure does not violate any confidentiality obligation, or (v) is disclosed pursuant to the requirement or request of a governmental agency or court of competent jurisdiction to the extent such disclosure is required by a valid law, regulation or court order, and sufficient notice is given by the recipient to the disclosing Party of any such requirement or request to permit the disclosing party to seek an appropriate protective order or exemption from such requirement or request.

The parties further agree not to use or attempt to use such confidential information for their own purposes or for any purposes whatsoever which are not otherwise permitted or required by this Agreement without the consent of the other party, and shall use reasonable efforts at all times to prevent the unauthorized use, publication or disclosure of any such confidential information by any person, firm or company not affiliated with each of them.

The obligations of the parties set forth in this Section 12.4 shall survive and continue beyond the termination of this Agreement.

**12.5 Entire Agreement.** This Agreement constitutes the final agreement between the parties. It is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties, whether oral or written, on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering this Agreement, neither party has relied upon any statement, representation, warranty or agreement of the other party except for those expressly contained in this Agreement.

**12.6 Severability.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remainder of this Agreement shall remain in full force and effect if the essential terms and conditions of this Agreement for each party remain valid, legal and enforceable.

**12.7 Amendment.** No term or provision of this Agreement shall be amended or modified except in a writing signed by HAFC and SJEC.

**Agreed to and Accepted By:**

**SJEC**

By: *[Signature]*  
 Name: SAVP Business Devel  
 Title: SAVP Business Devel  
 Date: 7/13/07

**Halifax - American Energy Co.**

By: *[Signature]*  
 Name: August Fromuth  
 Title: Managing Partner  
 Date: July 12 2007



**Electronic Data Interchange (EDI) Certification**

***Unitil Energy Systems (UES)***

Issued to: South Jersey Energy Company  
Represented by: Gary Dean

Issued by: Unitil Energy Systems  
Represented by: John Wassam, Energy Supplier Services Coordinator

Date: February 15, 2010

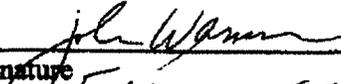
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This is official notification of the successful completion of Electric EDI testing between Unitil Energy Systems and South Jersey Energy Company. As of February 15, 2010, Unitil Energy Systems does hereby declare South Jersey Energy Company as a certified EDI trading partner capable of exchanging the following transactions:

810	Invoice
814	Enrollment
814	Change
814	Historical Usage Request
814	Drop
820	Payment Notification
997	Functional Acknowledgement
867	Monthly Usage
867	Historical Usage

South Jersey Energy Company has successfully satisfied all the requirements of connectivity with Unitil Energy Systems. South Jersey Energy Company has also proven through detailed transaction testing its understanding of the business rules and EDI formats required for account maintenance, and billing (dual and LDC rate-ready consolidated) as described by the New Hampshire Board of Public Utilities and using V12 version 4010 standards.

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Signature  
  
Date

John Wassam  
Energy Supplier Services Coordinator  
Unitil Service Corp.  
5 McGuire Street  
Concord, NH 03301  
supplierservices@unitil.com

**Halifax – American Energy Company, D/B/A HAEC  
MASTER ENERGY SERVICE AGREEMENT**

This Energy Service Agreement ("Agreement") is entered into by Halifax American Energy Company d/b/a ("HAEC") and South Jersey Energy Company ("South Jersey") (collectively, "Seller" or "Sellers") and \_\_\_\_\_, ("Customer") on \_\_\_\_\_. HAEC is the duly authorized New England agent for South Jersey. Sellers and Customer may be individually referred to as "Party" and collectively as "Parties".

**1. Basic Understanding.** Customer agrees to purchase from Sellers pursuant to this Agreement, the attached General Terms and Conditions, and either Appendix B-1 or B-2, as may be applicable, its full electric commodity requirements ("Energy Service") for the Local Distribution Company ("LDC") Account Numbers and Meter Numbers listed on the Account Schedule prepared pursuant to Paragraph 5 below.

**2. Term.** The Term shall be as stated in the applicable Appendix B-1 or B-2. During the Term, Sellers shall arrange for the supply of Energy Service for the electric service(s) specified in the Account Schedule under Paragraph 5.

**3. Electricity Charge.** During the term of this Agreement, Customer covenants and agrees to pay for the Energy Service the total of the following (the "Electricity Charge"): (A) Cost of Energy Purchases pursuant to either Appendix B-1 or Appendix B-2, as may be applicable; plus (B) a Service Fee; plus (C) Cost of Renewables; plus (D) Taxes, all as defined below and reflected on monthly invoices prepared by HAEC on behalf of Sellers.

**A. Cost of Energy Purchases** shall be an amount determined in accordance with either Appendix B-1 or B-2, as may be applicable, multiplied by DLF plus all applicable ISO-NE Ancillary Charges.

**Distribution Loss Factor (DLF)** is the hourly factor that accounts for line losses associated with the transmission delivery of electricity. DLF is determined by the T&D Utility and is posted on the internet web site of the T&D Utility. It is the same factor used by the T&D Utility for adjusting the Customer's metered loads for reporting to ISO-NE for settlement purposes. If the DLF is expressed as a percentage, such number shall be converted to a factor (i.e. 1 plus the percentage).

**ISO-NE Ancillary Charges** means all applicable ISO-NE charges not included in the Hourly Market Price, including, without limitation, Automatic Generation Control (AGC), 10-Minute Spinning Reserve, (TMSR), 10-Minute Non-Spinning Reserve (TMNSR), 30-Minute Operating Reserve (TMOR), Uplift, Congestion Uplift, and all Installed Capacity Costs including LICAP, UCAP charges or ICAP transitional payments and any other wholesale acquisition and sourcing costs incurred by Sellers, to meet the Energy Service requirements of Customer as specified in this Agreement.

**B. The Service Fee** is equal to \_\_\_\_\_ per kWh of energy consumed. Scheduling and Coordinating fees, Credit fees and Qualification fees totaling \_\_\_\_\_ per kWh will be identified and itemized in monthly billing statements. The total of all such fees shall not exceed \_\_\_\_\_ per kWh.

**C. Cost of Renewables** means the specific and itemized cost beyond those specified in subparagraphs 3.A, 3.B and 3.D incurred by Sellers on behalf of Customer to comply with any and all state laws and regulations with respect to resource portfolio requirements ("RPS Requirements"), which cost shall be the actual cost to Sellers of paying the alternative compliance payments as established under the RPS Requirements or the actual cost to Sellers of acquiring renewable energy credits in the amounts specified under the RPS Requirements for the Energy Service provided hereunder, whichever cost is less.

**D. Taxes** means all federal, state, municipal or other governmental taxes, duties, fees, levies, premiums or any other charges, relating to the sale, purchase or delivery of electricity, whether direct or indirect, together with all interest, penalties or other additional amounts imposed, including but not limited to gross receipts tax or fees, sales tax, and any other tax (new or otherwise) imposed by any governmental entity.

**The foregoing charges set forth in (A) through (D) do not include or cover any Delivery Charges related to transmission, distribution and services other than Energy Service provided by the T&D Utility, all of which charges shall be Customer's sole responsibility, and for which Sellers shall have no liability.**

**4. Dispute Resolution.** If Customer wishes to dispute any Electricity Charge, invoice, notice or service provided under this Agreement, then before taking any other action authorized under this Agreement or otherwise allowable under applicable state law shall notify Sellers of such dispute as specified in Paragraph 7 below ("Notice of Dispute"). Notice regarding any dispute relating to an invoice shall be rendered within thirty (30) days of the receipt of such invoice. Upon receipt of a Notice of Dispute Sellers shall investigate the dispute and within thirty (30) days of the receipt of such Notice shall provide Customer with its findings in writing as specified in Paragraph 7 below. All Parties to this Agreement agree to use their reasonable efforts to informally resolve any disputes that may arise under this Agreement without resort to litigation, arbitration or mediation. If dispute resolution under this Paragraph is unsuccessful, the Parties may seek such other remedies as may be available under applicable state or federal law or as the Parties may otherwise agree to resolve such dispute. Nothing in this Paragraph, including without limitation the dispute itself, nor the failure to participate in the resolution of any dispute for which a Notice of Dispute was rendered pursuant to this Paragraph, shall in any way interfere or diminish each Party's rights to terminate this Agreement under Paragraphs T2.1 or T2.4.

**5. Account Schedule.** Customer must complete Appendix A of this Agreement indicating the account numbers and meter numbers to be served under this Agreement ("Accounts").

**6. Invoicing and Payment.** Subject to applicable Law, HAEC shall provide an invoice for the Account(s) for the amounts due Sellers from Customer under this Agreement. HAEC will issue invoices to Customer according to HAEC's normal billing cycle and Customer agrees to timely direct all payments related to Energy Service as to each of the Account(s) served under this Agreement to HAEC without offset or reduction of any kind. Customer shall be billed with a single bill at the address indicated in the Notice provision. Customer shall have no other obligation to pay or reimburse Sellers other than the amounts set forth in the monthly invoices provided by HAEC other than as specifically set forth below in Paragraph T.2.4, Remedies Upon Default.

**7. Definitions, Terms and Notice.** Capitalized terms shall have the meanings provided in this Agreement and as stated in the accompanying General Terms and Conditions, which are incorporated herein by reference. All notices, requests or approvals required hereunder shall be in writing, unless otherwise specified herein, and shall be deemed given when received. All such notices shall be delivered personally, by facsimile, by certified mail with return receipt requested by email, or by overnight carrier to the Notice addresses provided herein.

**8. Authorization and Execution.** The Parties hereby represent and warrant to each other that (i) the person executing this Agreement is duly authorized to do so on behalf of the Party such person represents, (ii) this Agreement constitutes a legal, valid and binding obligation of each Party executing this Agreement, and (iii) there is no material event(s) which would impair the right, authority or ability of the Party's signatory below to execute this Agreement and otherwise consummate the transactions contemplated by this Agreement.

**THIS AGREEMENT IS NOT ENFORCEABLE UNTIL IT IS COUNTER-SIGNED BY OFFICERS OF BOTH HAEC AND SOUTH JERSEY.**

Sellers shall have no obligation to enroll or supply electricity to any Account(s) that are not accurately identified on the Account Schedule specified above in Paragraph 5. Therefore, before Customer signs, please verify that Customer's Account information is COMPLETE and ACCURATE. Customer's review and acceptance of this information will help ensure accurate future invoices.

**SELLER: South Jersey Energy Co.**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SELLER: Halifax American Energy Co.**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Customer:**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**GENERAL TERMS AND CONDITIONS**

**DEFINITIONS**

**"Delivery Charges"** mean those amounts payable (including Taxes and surcharges) by Customer for services provided by the T&D Utility, ISO or other third parties not otherwise included in the Electricity Charge as defined herein.

**"Law"** means any law, rule, regulation, ordinance, statute, judicial decision, administrative order, ISO operating guideline or protocol, utility/LDC or ISO tariff, rule of the public utilities commission, public service commission or similar state commission or agency having jurisdiction over utilities and the electricity distribution system of the state in which the Accounts are located, and the like.

**"T&D Utility"** means the public utility owning and maintaining the distribution system required for reliable delivery of electricity to the Account(s) identified on Account Schedule.

**"Taxes"** means all federal, state, municipal or other governmental taxes, duties, fees, levies, premiums or any other charges, relating to the sale, purchase or delivery of electricity, whether direct or indirect, together with all interest, penalties or other additional amounts imposed, including but not limited to gross receipts tax or fees, sales tax, and any other tax (new or otherwise) imposed by any governmental entity.

**"Total Energy"** means the sum of each hour of metered hourly usage for all Accounts on the Account Schedule after first multiplying each hour of metered hourly usage by the appropriate DLF.

**GENERAL**

**T1.1 Payment.** For any invoices provided by HAEC for the Account(s), amounts due under this Agreement shall be due and payable by Customer on the date of such invoice without offset or reduction of any kind. Any sums billed and not received by HAEC within thirty (30) days of receipt of invoice shall be automatically assessed a late payment charge of one and one-half percent (1.5%) per month, which charge may be included on a subsequent invoice. HAEC reserves the right to adjust its billing cycle from time to time, including the right to estimate in advance all or part of amounts due during such cycle, with end of cycle reconciliation against Customer's actual consumption.

**T1.2 Assignment.** The terms and conditions of this Agreement shall extend to and be binding upon the respective successors and permitted assigns of the Parties; provided, however, that no Party may assign this Agreement without the prior written consent of the other Parties provided in accordance with Paragraph 7, which consent shall not be unreasonably withheld, and any purported assignment without such consent shall be void.

**T1.3 Survival.** The applicable provisions of (i) Paragraphs 3, 5, 6, T1.1, T2.1 and T2.4 to the extent necessary to provide for final billing, billing adjustments and payments, (ii) Paragraph T2.2 relating to limitations of liability, and (iii) Paragraph T2.5 relating to the confidentiality of this Agreement shall continue in effect after expiration or termination of this Agreement.

**T1.4 [Intentionally Left Blank]**

**T1.5 Change in Law.** If a new Law shall be enacted, or there shall occur any revisions in, implementation of, or amendments to, any Law that results in increased costs to Sellers that would not have occurred but for such change in Law, Sellers shall have the right to increase the charges for electricity supply to Customer to reflect a one-hundred percent pass-through to Customer of such increased costs upon written notice from HAEC to Customer in accordance with Paragraph 7 above of such adjustment and its effective date. HAEC shall reflect such increased costs on Customer's invoice. Notwithstanding any other provision of this agreement, Customer may commence termination of this Agreement in accordance with Paragraph T2.1 below no later than thirty (30) days following the receipt of written notice from HAEC of the effective date of a proposed adjustment. If Customer does not commence termination of this Agreement within the thirty (30) day time period specified in this paragraph, then Customer shall be conclusively deemed to have accepted such adjustment and to be liable for such from and after the effective date of such adjustment.

## **TERMINATION AND REMEDIES**

**T2.1 Termination and Final Payment Upon Termination or Expiration.** Any Party may terminate this Agreement without cause by providing written notice to the other Parties as specified in Paragraph 7 above, provided that such notice is completed in accordance with Paragraph 7 no later than (30) days prior to the next scheduled utility meter reading date established by the T&D Utility ("Next Scheduled Meter Reading Date"). If such notice is completed successfully in accordance with Paragraph 7, such next scheduled meter reading date shall be the date termination of this Agreement is to be effective (Termination Date). If this Agreement is terminated for any reason or otherwise expires, other than termination for an Event of Default under Paragraph T2.4 below, Sellers shall, consistent with applicable Law, in coordination with the T&D Utility, and upon notice to Customer move on the Termination Date all of the Account(s) to the T&D Utility for Energy Service. If for any reason Energy Service cannot be moved or will not be accepted by the T&D Utility until a meter reading date after the Next Scheduled Meter Reading Date, then the Termination Date shall be the date on which Energy Service is moved or transferred to the T&D Utility. Upon expiration or termination for any reason of this Agreement and delivery by HAEC to Customer of an invoice specifying all charges and/or credits, as appropriate, (i) Customer shall pay within fourteen (14) days of the Termination Date or Expiration Date, as applicable, such amounts for any Electricity Charges that are due Sellers under this Agreement and unpaid as of the Termination Date or Expiration Date, and (ii) Sellers shall remit to Customer within fourteen (14) days of the Termination Date or Expiration Date any amounts due Customer from Sellers resulting from the end of cycle reconciliation required under Paragraph T1.1 above.

**T2.2 Limitation of Liability.** Notwithstanding any other provision of this Agreement, in no event shall Customer or Sellers, or their affiliates, be liable for any indirect, consequential, exemplary, special, incidental or punitive damages, including, without limitation, lost opportunities or lost profits, arising from any claim related to this Agreement.

**T2.3 Default.** An "Event of Default" means any one of the following: (a) failure by Customer to make, when due, any payment required under this Agreement if not paid within seven (7) business days after receiving notice from HAEC as specified in Paragraph 7 that HAEC has not received payment from Customer by the payment due date or

(b) any representation or warranty made by a Party in this Agreement proves to have been false or misleading in any material respect when made or ceases to remain true in all material respects during the Term of this Agreement, if not cured within five (5) business days after written notice from another Party; or (c) Customer fails to provide additional security or credit arrangements as required in this Agreement; or (d) except to the extent excused by Force Majeure, the failure by a Party to perform any material obligation set forth in this Agreement and such failure is not cured within twenty (20) business days after receipt of written notice thereof in accordance with Paragraph 7 (provided, however, that failure of HAEC to bill Customer timely for amounts due under this Agreement, and the failure of Customer to pay until it has received a bill from HAEC shall not be deemed to be a material breach hereunder); or (e) a Party: (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or have such petition filed against it and such petition is not withdrawn or dismissed for twenty (20) business days after such filing; (iii) otherwise becomes bankrupt or insolvent (however evidenced); or (iv) is unable to pay its debts as they fall due; or (f) failure of Sellers to provide electricity under the terms of this Agreement; provided, that such failure is not excused by Force Majeure or caused by the Customer, T&D Utility, or ISO.

**T.2.4 Remedies Upon Default.** (a) If an Event of Default occurs with respect to a Party (the "Defaulting Party") and has not been cured as provided in Paragraph T2.3 above, the other Parties (the "Non-Defaulting Parties") may in their discretion, at any time, commence termination of this Agreement upon written notice to the Defaulting Party setting forth the effective date of termination, which date shall be, subject to compliance by the Non-Defaulting Party or Parties with Subparagraph T2.4(b) below, the next scheduled meter reading date. (b) Termination of this Agreement due to an Event of Default shall not become effective until the date upon which all of the following have occurred: (i) the delivery of written notice to the Non-Defaulting Party or Parties of the intent to immediately terminate this agreement as specified in Subparagraph T2.4(a) above has been completed in accordance with Paragraph 7 above; and (ii) Energy Service has been moved or transferred to the T&D Utility in accordance with applicable Law. In the event of early termination under this paragraph, Customer and Sellers agree to remit to the other Party or Parties all amounts due under this Agreement pursuant to the end of cycle reconciliation and payment and invoicing provisions specified in Paragraphs 6 and T1.1 above.

**T2.5 Customer Credit Information, Credit Arrangements, Confidentiality and Public Disclosure.** Customer authorizes HAEC to review Customer's credit history from time to time as maintained by third party credit reporting agencies and agrees to provide HAEC with commercially reasonable credit arrangements upon request in an amount not to exceed thirty (30) days of estimated amounts due under this Agreement. HAEC may terminate this Agreement in accordance with Paragraph T2.1 above except that the written notice required under Paragraph T2.1 shall be provided no later than fifteen (15) days prior to the next scheduled utility meter reading date by the T&D Utility. All terms of this Agreement are confidential and shall not be disclosed by Customer without HAEC's prior written consent, except as required by state or federal law or a court of competent jurisdiction.

**T2.6 Force Majeure.** Notwithstanding any other provision of this Agreement, if any Party is unable to carry out any obligation under this Agreement (other than an obligation to pay for services) due to Force Majeure, this Agreement shall remain in effect but such obligation shall be suspended for the period necessary as a result of the Force Majeure, provided that: (i) the non-performing Party gives the other Parties prompt written notice describing the particulars of the Force Majeure, including but not limited to the nature and date of the occurrence and the expected duration of the disability; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure; and (iii) the non-performing Party uses commercially reasonable efforts to remedy its inability to perform. "Force Majeure" means an event that is not within the reasonable control of the Party claiming suspension ("Claiming Party"), and that by the exercise of due diligence, the Claiming Party is unable to overcome in a commercially reasonable manner or obtain or cause to be obtained a commercially reasonable substitute performance therefore and shall not be deemed a breach or default under this Agreement. Force Majeure includes, but is not limited to, acts of God, fire, war, flood, earthquake, civil disturbance, sabotage, facility failure, breakage of equipment or machinery, curtailment of supply by or as a result of the T&D Utility, declaration of emergency by the ISO, regulatory, administrative, or legislative action, or action or restraint by court order or governmental authority and any other events similar to the above. In the event the Force Majeure continues for a period in excess of thirty (30) days, the performing Party may terminate this Agreement by providing the non-performing Party written notice of termination as specified in Paragraph 7 not less than fifteen (15) days prior to the proposed date of termination. Final payment shall be made in accordance with Paragraph T2.1 above.

**T2.7 Entire Agreement.** This Agreement, including its General Terms and Conditions, Appendix A, Appendix B-1, and/or Appendix B-2, embodies the entire agreement and understanding of the Parties, supersedes all prior agreements and understandings of the Parties related to the subject matter hereof, and may not be contradicted by evidence of any prior or contemporaneous oral or written agreement. Receipt of a facsimile copy of any Party's signature shall be considered an original for all purposes under this Agreement and all Parties agree to provide its handwritten signature upon request. No amendment to this Agreement shall be valid or given effect unless executed by all Parties.

**T2.8 Governing Law.** This Agreement has been entered into in the State of New Hampshire and the validity, performance, and construction of this Agreement shall be governed and interpreted in accordance with the laws of the State of New Hampshire as applied to agreements solely between residents of that state without recourse to such state's choice of law rules. If any action is brought to enforce the terms of this Agreement, such action may be brought in any court of competent subject matter jurisdiction located within the State of New Hampshire, and each party hereby consents to the jurisdiction and venue of the state and federal courts within New Hampshire.

**T2.9 Waiver and Severability.** No waiver in the requirements of this Agreement shall occur based on a failure of any Party to provide notice of any default or other requirement under this Agreement and failure to object to any default shall not operate or be construed as a waiver of any future default, whether like or different in character. If any portion of this Agreement, or application thereof to any person or

circumstance, shall be held legally invalid, the remaining portion(s) of this Agreement shall not be affected and shall be valid and enforced to the fullest extent permitted by law or equity.

**T2.10 DISCLAIMER.** CUSTOMER ACKNOWLEDGES AND AGREES THAT NO WARRANTY, DUTY, OR REMEDY, WHETHER EXPRESS, IMPLIED, OR STATUTORY, IS GIVEN OR INTENDED TO ARISE AS TO SELLERS AND THEIR AFFILIATES UNDER THIS AGREEMENT EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, AND SELLERS SPECIFICALLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

**T2.11. Marketing Disclosure of Risks and Costs Associated With Day-Ahead, Real-Time or Indexed Electricity Products.** As per some State's regulatory requirements, Sellers provide the following disclosure to Customer regarding electricity products in which the prices paid by consumers vary with changes in wholesale electricity prices, other energy prices, or an energy price index:

**Volatility Risk:** Electricity prices may be subject to substantial volatility based on economic conditions, fuel prices, seasonal electricity demands, generator outages, weather and other factors.

**Future Performance:** Past results regarding particular electricity products are not necessarily an indication of future results.

**INVOICE REMITTANCE ADDRESS**

A. If Payment by Wire:

HALIFAX AMERICAN ENERGY COMPANY  
Wachovia Bank  
ABA# 031201467  
(ACH) # 021200025  
Credit: South Jersey Energy  
Account No. 2000003202340

B. If Payment by Mail:

HALIFAX AMERICAN ENERGY COMPANY  
c/o South Jersey Energy  
Lockbox #6471  
PO Box 8500  
Philadelphia, PA 19178-6471

**NOTICES**

A. IF TO HAEC

Via Hand-Delivery, First-Class Mail or Overnight Carrier:

Managing Partner  
HAEC  
816 Elm Street Suite 364  
Manchester NH 03101

Via Internet Email: [freedomlogisticsinc@comcast.net](mailto:freedomlogisticsinc@comcast.net)

Via Facsimile: **603-625-8448**

Via Telephone: **603-625-2244**

B. IF TO CUSTOMER

Via Hand-Delivery, First-Class Mail or Overnight Carrier:

Via Internet Email: \_\_\_\_\_

Via Facsimile: \_\_\_\_\_

**Billing Contact:**

MASTER ENERGY SERVICE AGREEMENT

**APPENDIX A - ACCOUNT SCHEDULE**

Please insert the appropriate account number, service address, meter numbers, utility name and load zone in the tables below. If additional space is needed, please use a separate sheet which will be incorporated into this Agreement.

<b>Account No.</b>	
<b>Service Address</b>	
<b>Meter Number</b>	
<b>Electric Utility</b>	
<b>Load Zone</b>	

<b>Account No.</b>	
<b>Service Address</b>	
<b>Meter Number</b>	
<b>Electric Utility</b>	
<b>Load Zone</b>	

<b>Account No.</b>	
<b>Service Address</b>	
<b>Meter Number</b>	
<b>Electric Utility</b>	
<b>Load Zone</b>	

<b>Account No.</b>	
<b>Service Address</b>	
<b>Meter Number</b>	
<b>Electric Utility</b>	
<b>Load Zone</b>	

<b>Account No.</b>	
<b>Service Address</b>	
<b>Meter Number</b>	
<b>Electric Utility</b>	
<b>Load Zone</b>	

<b>Account No.</b>	
<b>Service Address</b>	
<b>Meter Number</b>	
<b>Electric Utility</b>	
<b>Load Zone</b>	

**Halifax – American Energy Company, D/B/A HAEC**

**MASTER ENERGY SERVICE AGREEMENT  
APPENDIX B-1  
DAY AHEAD / REAL TIME PRICING SERVICE**

This Appendix B-1 to the Halifax – American Energy Company Master Energy Service Agreement is entered into is entered into by Halifax American Energy Company d/b/a (“HAEC”) and South Jersey Energy Company (“South Jersey”) (collectively, “Seller” or “Sellers”) and \_\_\_\_\_ (“Customer”) on \_\_\_\_\_.

1. **Term.** The Term shall begin on the first meter reading on or after \_\_\_\_\_, upon which applicable Law and coordination with the T&D Utility allows transfer of Energy Service from the T&D Utility to Sellers and shall continue thereafter until terminated in accordance with Paragraph T2.1 of the Master Energy Service Agreement.

2. Except as may be specifically provided in this Appendix B-1, all other terms of the Master Energy Service Agreement shall remain in full force and effect according to its terms.

3. Pursuant to Section 3 of the Master Energy Service Agreement, the **Cost of Energy Purchases** shall be determined in accordance with this APPENDIX B-1, Day Ahead / Real Time Pricing Service.

4. The **Cost of Energy Purchases** shall be equal to Customer’s energy usage in each hour multiplied by **Hourly Market Price**.

5. **Hourly Market Price** is expressed in \$/kWh and means either the (a) Hourly Day-Ahead or (b) Hourly Real Time Locational Marginal Price (“LMP”) set by ISO-NE for the hour in the applicable load zone, as may be determined to be the most economical choice in the sole discretion of HAEC from time to time. Customer hereby authorizes HAEC to make such election without further approval from Customer or advance notice to Customer. Day-Ahead schedules are prepared on a “best-efforts” basis with reference to historical energy usage; deviations from the schedules will be priced at the Hourly Real Time LMP.

6. **Basic Understanding.** If at any time during the term of this Agreement ISO-New England changes the products and associated charges necessary to provide full requirements service to Customer, Sellers may adjust the Electricity Charge pricing formula to account for any and all of those changes. Sellers shall have no obligation to enroll or supply electricity to any account(s) not identified on the Account Schedule.

**SELLER: South Jersey Energy Co.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**SELLER: Halifax American Energy Co.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Customer:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

MASTER ENERGY SERVICE AGREEMENT  
APPENDIX B-1A ALL-IN ADDER  
DAY AHEAD / REAL TIME PRICING SERVICE

This Appendix B-1A to the Halifax–American Energy Company Master Energy Service Agreement is entered into by Halifax-American Energy Company d/b/a (“HAEC”) and South Jersey Energy Company (“South Jersey”) (collectively, “Seller” or “Sellers”) and \_\_\_\_\_ (“Customer”) on \_\_\_\_\_.

1. **Term.** The Term for service shall begin on the first meter reading on or after \_\_\_\_\_, upon which applicable Law and coordination with the T&D Utility allows transfer of Energy Service from the T&D Utility to Sellers. Notwithstanding any other provision herein, this Agreement shall expire on the date of the meter reading in \_\_\_\_\_ (“Expiration Date”).

2. Except as may be specifically provided in this Appendix B-1A, all other terms of the Master Energy Service Agreement shall remain in full force and effect according to its terms.

3. Section 3 of the Master Energy Service Agreement is replaced in its entirety with the following revised Section 3:

**Electricity Charge.** During the term of this Agreement, Customer covenants and agrees to pay for the Energy Service the total of the following (the “Electricity Charge”): (A) **Cost of Energy Purchases**, multiplied by (B) **DLF** ; plus (C) an **All-In Adder**.

A. The **Cost of Energy Purchases** shall be equal to Customer’s energy usage in each hour multiplied by **Hourly Market Price**.

B. **Distribution Loss Factor (DLF)** is the hourly factor that accounts for line losses associated with the transmission delivery of electricity. DLF is determined by the T&D Utility and is posted on the internet web site of the T&D Utility. It is the same factor used by the T&D Utility for adjusting the Customer’s metered loads for reporting to ISO-NE for settlement purposes. If the DLF is expressed as a percentage, such number shall be converted to a factor (i.e. 1 plus the percentage).

C. The **All-In Adder** is equal to \_\_\_\_\_ per kWh of energy consumed and includes all other costs of providing energy service, including, but not limited to, ISO-NE Ancillary Charges, Service Fee, Cost of Renewables, and Taxes. The All-In Adder is subject to adjustment by Seller only in the event that the Customer’s ICAP tag is changed during the Term by either ISO-NE or the T&D Utility.

4. **Hourly Market Price** is expressed in \$/kWh and means either the (a) Hourly Day-Ahead or (b) Hourly Real Time Locational Marginal Price (“LMP”) set by ISO-NE for the hour in the applicable load zone. Customer has elected **one** of the following as the Hourly Market Price:

- A. Hourly Day-Ahead or Hourly Real-Time Locational Marginal Price, as may be determined to be the most economical choice in the sole discretion of HAEC from time to time. Customer hereby authorizes HAEC to make such election without further approval from Customer or advance notice to Customer. Day-Ahead schedules are prepared on a “best-efforts” basis with reference to historical energy usage; deviations from the schedules will be priced at the Hourly Real Time LMP.
- B. Hourly Day-Ahead Locational Marginal Price.
- C. Hourly Real-Time Locational Marginal Price.

ISO-NE Ancillary Charges means all applicable ISO-NE charges not included in the Hourly Market Price, including, without limitation, Reliability Must Run, Automatic Generation Control (AGC), 10-Minute Spinning Reserve, (TMSR), 10-Minute Non-Spinning Reserve (TMNSR), 30-Minute Operating Reserve (TMOR), Uplift, Congestion Uplift, and all Installed Capacity Costs including LICAP, UCAP charges or ICAP transitional payments and any other wholesale acquisition and sourcing costs incurred by Sellers to meet the Energy Service requirements of Customer as specified in this Agreement.

The Service Fee includes Scheduling and Coordinating fees, Credit fees and Qualification fees.

Cost of Renewables means the specific and itemized cost incurred by Sellers on behalf of Customer to comply with any and all state laws and regulations with respect to resource portfolio requirements (“RPS Requirements”), which cost shall be the actual cost to Sellers of paying the alternative compliance payments as established under the RPS Requirements or the actual cost to Sellers of acquiring renewable energy credits in the amounts specified under the RPS Requirements for the Energy Service provided hereunder, whichever cost is less.

Taxes means all federal, state, municipal or other governmental taxes, duties, fees, levies, premiums or any other charges, relating to the sale, purchase or delivery of electricity, whether direct or indirect, together with all interest, penalties or other additional amounts imposed, including but not limited to gross receipts tax or fees, sales tax, and any other tax (new or otherwise) imposed by any governmental entity.

The foregoing charges set forth in (A) through (D) do not include or cover any Delivery Charges related to transmission, distribution and services other than Energy Service provided by the T&D Utility, all of which charges shall be Customer’s sole responsibility, and for which Sellers shall have no liability.

5. **Basic Understanding.** If at any time during the term of this Agreement ISO-New England changes the products and associated charges necessary to provide full requirements service to Customer, Sellers may adjust the Electricity Charge pricing formula to account for any and all of those changes. Sellers shall have no obligation to enroll or supply electricity to any account(s) not identified on the Account Schedule.

APPENDIX B-1A Continued

**SELLER: South Jersey Energy Co.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**SELLER: Halifax American Energy Co.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Customer:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_



**APPENDIX B-2 Continued**

**5. Early Termination Payment** . If this Appendix B-2 to the Halifax – American Energy Company Master Energy Service Agreement is terminated, pursuant to this Section Seller will in good faith calculate a termination payment as set forth below and the Terminating Party shall pay such amount following receipt of notice of such amount as provided herein. The Parties acknowledge and agree that any termination payment hereunder constitutes a reasonable approximation of harm or loss, and is not a penalty or punitive in any respect. If Sellers are the Non-Terminating Party, Customer will pay Sellers the following early termination payment, if a positive amount: the difference between the dollar amount otherwise payable to Sellers for the remaining electricity in the block volume that would have been delivered to Customer had the Agreement not been terminated early (the "Remaining Electricity") and the dollar amount Sellers could get for that electricity if it were to sell it to a third party, as determined as of the Early Termination Date. If Customer is the Non-Terminating Party, Sellers will pay Customer the following early termination payment, if a positive amount: the difference between the dollar amount payable by Customer were it to purchase the Remaining Electricity from a third party, determined as of the Early Termination Date, and the dollar amount that Customer would have been obligated to pay to HAEC for the Remaining Electricity had the Agreement not been terminated early.

**SELLER: South Jersey Energy Co.**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SELLER: Halifax American Energy Co.**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Customer:**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_