

CITY OF VINELAND

RESOLUTION NO. 2016-265

RESOLUTION AUTHORIZING THE EXECUTION OF AN ADDENDUM TO THE STANDARD GAS SERVICE AGREEMENT AND PIPELINE CONSTRUCTION AGREEMENT BY AND BETWEEN THE SOUTH JERSEY GAS COMPANY, A NEW JERSEY PUBLIC UTILITY CORPORATION, FOLSOM, NEW JERSEY AND THE CITY OF VINELAND.

WHEREAS, on or about July 22, 2014, City Council of the City of Vineland adopted Resolution 2014-249, which authorized the execution of a Pipeline Construction Agreement (Agreement) for the operation of a gas transmission pipeline to service the Clayville Generation Station Unit 1 with South Jersey Gas Company (SJG), as amended by Resolution 2014-576 adopted by the City Council of the City of Vineland, on December 23, 2014; and

WHEREAS, the parties desire to further amend the Agreement at Article VII, Section 2, part (a), Service Volume to increase the Firm Daily Contract Demand to 15,000 Mcf per day, eff. June 1, 2016 with a D1 charge of \$1.53 for a yearly increase of \$28,733.40; and

WHEREAS, the addendum to the Agreement, in the form attached hereto, shall allow Clayville Generation Station Unit I to qualify as a "Super Capacity" facility which City Council finds to be in the best interest of the City of Vineland and its ratepayers.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Vineland that the Mayor and Clerk are hereby authorized to execute an addendum to the Pipeline Construction Agreement in the form attached hereto, which shall allow the increase of the Firm Daily Contract Demand to 15,000 Mcf per day, effective June 1, 2016 with a D1 charge of \$1.53 for a yearly increase of \$28,733.40.

Adopted:

President of Council

ATTEST:

City Clerk

Standard Gas Service Agreement (EGS) Addendum

THIS ADDENDUM entered into this 8th day of July, 2016 by and between South Jersey Gas Company, a New Jersey corporation, hereinafter referred to as "Seller" or "Company," and The City of Vineland, New Jersey, hereinafter referred to as "Buyer," modifies and amends the Standard Gas Service Agreement (EGS) ("Service Agreement") approved by the New Jersey Board of Public Utilities on December 16th, 2015. This Addendum and the Service Agreement are sometimes hereafter collectively referred to as the "Agreement".

WITNESSETH:

WHEREAS, pursuant to the Service Agreement, Seller agreed to sell, and Buyer agreed to purchase, natural gas delivery service to the Vineland Municipal Electric Utility ("VMEU") Clayville Generating Station Unit #1; and

WHEREAS, Buyer and Seller wish to amend and modify the Service Agreement as set forth herein; and

WHEREAS, Buyer and Seller wish to incorporate the terms of this Addendum into the Service Agreement; and

WHEREAS, Buyer and Seller agree that the terms of the Service Agreement will remain in full force and effect, except where amended or modified by this Addendum.

NOW, THEREFORE, Buyer and Seller, intending to be legally bound hereby, in consideration of the mutual promises and agreements contained herein, agree as follows:

1. Confidentiality:

(a) The terms of the Agreement and this Addendum concerning services volumes and charges for services shall be considered Confidential Information by Buyer and by Seller. Buyer and Seller agree to take all necessary and appropriate steps to keep confidential and protect the Confidential Information including;(i) restricting access to Confidential Information to those employee who have a "need to know" and requiring such employees to review the terms of this Confidentiality paragraph and to agree to abide by the terms of this Confidentiality paragraph and (ii) not disclosing or allowing access to such Confidential Information by any third party except as authorized by Buyer and Seller, in writing.

(b) The Confidential Information will lose its status as Confidential Information if: (i) it becomes generally available to the public other than through a breach of this Confidentiality paragraph or (ii) the disclosure of the Confidential Information is required by any law, or the order of any administrative agency or court having jurisdiction over the subject matter of the Agreement and this Addendum.

(c) Notwithstanding the foregoing, Confidential Information may be disclosed to the employees of the New Jersey Board of Public Utilities , or any successor agency thereto, and to the parties in any proceeding before the New Jersey Board of Public Utilities or any successor agency thereto, and if such disclosure is made, the parties shall use their best efforts to secure the execution of any appropriate Confidentiality Agreement, or the entry of the appropriate Protective Order, by which the person receiving the Confidential Information are bound. Seller and Buyer also agree that Seller may submit Confidential Information to the New Jersey Board of Public Utilities, and may request treatment of the Confidential Information as confidential pursuant to the Rules and Regulations of the New Jersey Board of Public Utilities.

2. Article VII Service Volumes: For services rendered to the Clayville Generating Station Unit #1 under Rate Schedule Electric Generation Service- Large Volume (EGS-LV), the Firm Daily Contract Demand contained within Article VII Service Volumes, Section 2, Part a, will be increased to 15,000 Mcf per day, Effective June 1st, 2016.

3. Warranty of Authority: The individual executing this Agreement on behalf of the Seller, covenant and warrants that he or she has authority to execute this Agreement on behalf of the Seller, and to bind Seller. The individual executing this Agreement on behalf of Buyer represents covenants and warrants that he or she has authority to execute this Agreement on behalf of Buyer, and to bind Buyer.

IN WITNESS WHEREOF, the parties have duly executed this addendum as of the date first above written, which shall be its effective date.

Seller: SOUTH JERSEY GAS COMPANY

Attest:

By:

Jeffrey E. DuBois
President

Attest:

Buyer: THE CITY OF VINELAND NEW JERSEY

By:

Ruben Bermudez
Mayor

SJG Transportation Contract Increase				
Unit #11	(thru 10/16)	(11/2016 - 10/2021)	(11/2021 - 10/2026)	Clayville Unit 1
Current Firm (Mcf)	12840	12840	12840	13435
Requirement (Mcf)	15000	15000	15000	15000
Increase (Mcf)	2160	2160	2160	1565
D1 Charge	\$ 7.00	\$ 5.00	\$ 4.00	\$ 1.53
Monthly Increase	\$ 15,120.00	\$ 10,800.00	\$ 8,640.00	\$ 2,394.45
Yearly Increase	\$ 181,440.00	\$ 129,600.00	\$ 103,680.00	\$ 28,733.40