

AGREEMENT FOR BILLING AND COLLECTION SERVICES

This Agreement for Billing and Collection Services is made and entered into this _____ day of _____ 20____, by and between New Jersey Natural Gas Company (“NJNG”), 1415 Wyckoff Road, Post Office Box 1464, Wall, New Jersey 07719, a New Jersey corporation, and _____, a _____ corporation (“Marketer”).

WITNESSETH:

WHEREAS, NJNG offers certain billing and collection services to marketers eligible to sell natural gas to NJNG’s transportation customers under Billing Option 1 of its Marketer and Broker Requirements Service Classification (“S.C. No. MBR”) as contained in its Tariff for Gas Service (“Tariff”);

WHEREAS, Marketer is eligible to market natural gas on NJNG’s system;

WHEREAS, NJNG wishes to offer and sell to Marketer, and Marketer wishes to purchase from NJNG, certain services related to accounts receivable, billing and collection set forth in this Agreement in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, NJNG and Marketer covenant and agree as follows:

**I.
SERVICES RENDERED**

1.1 *Purchase of Accounts Receivable.* NJNG shall purchase Marketer’s accounts receivable resulting from Marketer’s sale of natural gas to NJNG’s transportation customers served under Service Classifications CTB, FT, SCR, RT and IT (hereinafter, “Transportation Customers”) of NJNG’s Tariff. NJNG’s purchase of accounts receivable will be limited to amounts due to Marketer by Transportation Customers upon the provision of natural gas commodity service by Marketer. NJNG's purchase, if any, of a Marketer's accounts receivable shall be as set forth in Section IV. Notwithstanding anything contained herein, NJNG reserves the right to deduct from any sums due Marketer hereunder any amounts owed by Marketer to NJNG, including amounts for accounts not subject to Billing Option 1 Service, which amounts are past due but have not yet been paid, or to apply Marketer’s deposit or letter of credit to such past due amounts.

1.2 *Billing and Collection Services.* NJNG shall provide billing and collection services on behalf of Marketer resulting from Marketer’s sale of natural gas to Transportation Customers. Specifically, NJNG shall (i) render monthly bills to Transportation Customers, (ii) receive payments from Transportation Customers, (iii) maintain accounts of Transportation Customers, including the posting of charges, payments, adjustments and other activities required to maintain accurate billing records for the sale of natural gas by Marketer, and (iv) assume responsibility for collecting natural gas commodity charges from delinquent Transportation Customers, including forwarding collection notices to Transportation Customers and any other actions necessary to collect such accounts, up to and including termination or shut-off of such accounts in accordance with the requirements of the New Jersey Board of Public Utilities (“BPU”).

1.3 *Logos, Generic Bill Messages and Quarterly Bill Inserts.* At no additional cost to Marketer, Marketer shall be allowed to include, on the monthly bill to Transportation Customers, Marketer’s logo (in addition to that of NJNG), two (2) lines of text for a generic message to each of Marketer’s Transportation

Customers; and a one page bill insert per quarter in accordance with the requirements of the New Jersey Board of Public Utilities. It shall be within the sole discretion of NJNG to include in the monthly bill inserts that are longer than one page. To the extent that NJNG is able to accommodate Marketer's request to include such a bill insert, Marketer shall pay NJNG for incremental postage and other expenses, which shall be reflected in NJNG's monthly invoice to Marketer.

1.4 *Meter Reading.* NJNG shall read the meters of Transportation Customers and record the volumes of natural gas consumed by Transportation Customers using its meter reading procedures and cycles, using actual and estimated meter reads. In the months in which actual reads are not taken, NJNG will provide Marketer the estimated monthly reads as determined by NJNG in accordance with its system-wide estimation procedures. As soon as practicable after the end of every tenth billing cycle NJNG shall provide Marketer with monthly reads, associated therms and calculated commodity charges of Transportation Customers taken during those cycles.

1.5 *License.* Marketer hereby grants to NJNG during the term of this Agreement, a nonexclusive, royalty-free revocable license to use, copy, display and distribute Marketer's trademarks and logos (the "Marketer Trademarks") for purposes of branding the Services and providing the Services to Payers in accordance with the terms and conditions of this Agreement. NJNG shall not at any time do or permit any act to be done which may in any way impair the rights of Marketer in the Marketer Trademarks. NJNG's usage of the Marketer Trademarks shall at all times be in accordance with the specifications for use of such Marketer Trademarks provided in writing to NJNG by Marketer. NJNG shall have the right to sublicense Marketer Trademarks to any third party vendor retained by NJNG to provide billing and collection services on NJNG's behalf.

II.

RATE INFORMATION TRANSFER PROCEDURES

2.1 *Transfer of Rate Information.* Upon enrollment of Transportation Customers, Marketer shall provide NJNG each individual customer's billing parameters, which must fall into one of the following categories: (a) fixed commodity price per therm; (b) rebundled total price per therm; or (c) percentage discount off the bundled sales charges. If the billing parameters do not fall into one of these categories, it must be approved by NJNG prior to the commencement of billing. For billing categories (a) and (b), Marketer also shall provide the percentage discount, if any, Marketer is offering budget payment plan customers. For billing category (c), the percentage discount shall be applied to budget payment plan customers.

2.2 *Calculation of Customer Bills.* NJNG will use the billing parameters provided by Marketer to calculate the commodity portion of the Transportation Customers' bills. Marketer shall transfer any and all such billing parameter information to NJNG in a media and format specified by NJNG. Marketer also must provide, in the same media and format, any changes to the current billing parameters on an individual customer basis, including an effective future date. NJNG shall not assume any responsibility for verifying such information.

III.

BILLING AND PAYMENT FOR BILLING AND COLLECTION SERVICES

3.1 *Billing and Payment.* As soon as practicable after the end of each month, NJNG shall invoice Marketer for billing and collection services provided by NJNG in the preceding calendar month. NJNG's invoice shall include the Basic Service Charge and the Billing Option 1 Service Charge reflected in S.C. No. MBR. Marketer shall pay NJNG's invoice within ten (10) days after NJNG sends said invoice. Payment may be made

by wire transfer to New Jersey Natural Gas Company, Attention of Laurie McGraw, PNC Bank NJ (ABA Number: 0312-07607; Consolidation Account Number: 8101104649).

3.2 *Late Payment.* A late payment penalty shall accrue on any amounts not timely paid by Marketer in accordance with Section 8.9 of the Standard terms and Conditions of the Tariff. NJNG also shall have the right to access and apply Marketer's deposit or letter of credit to any payment obligations which may be late.

3.3 *Disputed Charges.* If the NJNG receives a customer inquiry regarding its charges, NJNG shall be responsible for resolving the inquiry with the customer. If NJNG receives a customer inquiry regarding the Marketers charges, NJNG shall refer the customer to the Marketer for resolution. In the event the customer and Marketer are unable to resolve their dispute, NJNG reserves the right to withhold payment for disputed charges.

IV. **BILLING AND PAYMENT FOR** **PURCHASED ACCOUNTS RECEIVABLE**

4.1 *Billing and Payment.* As soon as practicable after the end of every tenth NJNG billing cycle, NJNG shall determine the amount due and owing to Marketer for natural gas consumed by Transportation Customers served by Marketer that NJNG billed during the relevant billing cycles. The amount due and owing shall equal the commodity charges calculated by NJNG based upon the billing parameters provided for the relevant term volumes of natural gas consumed by Transportation Customers served by Marketer. NJNG shall make payment to Marketer by wire transfer to Marketer, to the attention of _____, no later than fifteen (15) days following the end of every tenth billing cycle.

4.2 *Overpayments by NJNG.* In the event that an overpayment by NJNG to Marketer, NJNG shall deduct the amount of the overpayment from any amounts due Marketer under Section 4.1 of this Agreement or apply Marketer's deposit or letter of credit until such overpayment is paid. If NJNG determines that the overpayment, is significant, Marketer shall make such payment to NJNG as part of its next scheduled payment.

V. **TERM**

This Agreement shall become effective on the date first set forth above and shall remain in effect for one (1) year, and shall continue in effect from year to year unless and until it is terminated by written notice at least (60) days prior to the expiration of this Agreement or terminated by NJNG in accordance with Article XI of this Agreement.

VI. **BILLING ERRORS**

If NJNG finds or is notified by Marketer within forty five (45) days of the customer bill date of a billing error, it will make a reasonable effort to correct the error and render the appropriate bill within the time limits permitted by the laws of the State of New Jersey. The forty-five (45) day notification period shall not apply to billing errors caused by NJNG. If correction of such billing error results in an additional payment to Marketer, then NJNG shall pay Marketer the difference between the amount misbilled and the amount that should have been billed had no billing error occurred. If correction of such billing error results in an additional payment to NJNG, then NJNG shall deduct such amount from any amounts due Marketer under Section 4.1 or apply

Marketer's deposit or letter of credit until such balance is paid. If NJNG determines that the amount due is significant, Marketer shall make such payment to NJNG as part of its next scheduled payment. At NJNG's sole discretion, Marketer shall compensate NJNG for processing unduly burdensome adjustments of customer billing information due to Marketer error.

VII.

LIMITATION ON LIABILITY; INDEMNIFICATION

7.1 *Limitation on Liability.* Notwithstanding anything contained herein to the contrary, in no event shall NJNG or an affiliated company or any of its or their respective officers, directors, employees, agents, or subcontractors be liable to Marketer or any other party, under any theory of tort, contract, strict liability, negligence or other legal theories, for any form of indirect, special, coincidental, or consequential (including without limitation loss of profits) and punitive damages arising in connection with the services, this Agreement and/or NJNG's performance hereunder even if NJNG has been advised, knew or should have known of the possibility of such damages.

7.2 *Indemnification.* Marketer, at its own expense, shall defend, indemnify and hold NJNG, its affiliates, and NJNG and its affiliates' respective officers, directors, employees, agents and contractors harmless against any and all claims, expenses (including, without limitation, attorneys' fees and allocated in-house legal expenses), losses or liabilities resulting from or arising out of (i) Marketer's use of the services rendered pursuant to this Agreement; (ii) any act or omission of NJNG, its employees, officers, directors, agents or representatives in the performance of NJNG's obligations under this Agreement, except if such act or omission is the result of gross negligence, (iii) any act or omission of Marketer, its employees, officers, directors, agents or representatives, contractors or contractors' employees related to this Agreement, or to Marketer's provision of services to Transportation Customers, or (iv) any violations of law, government regulations or orders, or permit requirements by Marketer or Marketer's employees, directors, officers, agents, representatives, or contractors or contractors' employees related to this Agreement, or to Marketer's provision of services to Transportation Customers.

VIII.

CONFIDENTIALITY

8.1 *Confidentiality Defined.* For purposes of Section 8.1, "Confidential Information" shall mean any hard copy or computer generated information and any information in other tangible form supplied by one party hereto to the other which is clearly marked as confidential or proprietary, or, if orally or visually disclosed, is identified as confidential or proprietary upon disclosure and is also summarized in a written memorandum marked as confidential and proprietary that is delivered by the disclosing party to the receiving party promptly after the disclosure has been made.

8.1-1 *Use of Confidential Information.* Each party hereto agrees (i) to use Confidential Information only in its performance of this Agreement; (ii) not to disclose any Confidential Information or any part thereof to others for any purpose, except in accordance with this Section; and (iii) to limit dissemination of Confidential Information, or any part thereof, to persons who have a need to use or review such Confidential Information, or any part thereof, for purposes of that party's performance hereunder, and who are contractually obligated to treat the Confidential Information in accordance with the terms of this Article. The provisions of this Section, however, do not apply to the following: (i) information publicly available or known through no wrongful act of the receiving party; (ii) information rightfully acquired by the receiving party from third parties authorized to make such disclosure without restriction; (iii) information independently developed by the receiving party as shown by contemporaneous records of the receiving party; (iv) information approved for release by the written

authorization of the disclosing party; (v) information previously known by the receiving party, as shown by the receiving party's records; or (vi) information required to be disclosed by a regulatory or governmental authority or action, provided that the receiving party uses its best efforts to provide prior advance notice to the disclosing party of any such disclosure requirement.

8.1-2 *Remedies*. Each party acknowledges that any breach of any of its obligations under this Section is likely to cause or threaten irreparable harm to the other party. Accordingly, each party agrees that the other party shall be entitled to equitable relief to protect its interests, including, but not limited to, preliminary and permanent injunctive relief without the necessity of posting a bond. Such remedy shall not be exclusive of other remedies otherwise available to either party hereto.

8.2 *Terms and Conditions of this Agreement*. The parties agree that all terms and conditions related to the provision of Billing Option 1 Service under this Agreement shall be considered confidential and will not be made available to third parties (other than to third party consultants employed by a party provided such consultants shall agree to be bound by the confidentiality terms of this Agreement) without written permission of the other Party, except as required by law. In the event disclosure is required by law, the party obligated to disclose shall notify the other party of such requirement and shall seek a ruling or protective order to maintain confidentiality of the disclosed provisions.

IX. **AUDITS**

9.1 *Notice, Scope and Frequency*. Upon thirty (30) days written notice to NJNG, Marketer shall have the right to commence an audit. The notice of audit shall identify the requested date upon which it is to commence, the projected completion date, the Marketer representatives and the purpose and subject matter of the audit. The scope of the audit and the materials to be reviewed will be mutually agreed to by the parties hereto. No more than one audit may be conducted in any twelve (12) consecutive months while this Agreement remains in effect. Audits shall be conducted during normal business hours and shall be of such records and accounts as may, under NJNG recognized accounting practices, contain information bearing upon (i) the amount being billed to Marketer's end users by NJNG as part of the provision of the Billing Option 1 Service, and (ii) the charges to Marketer for such service.

9.2 *Expenses*. Each party shall bear its own expenses associated with the conduct of the audit, except that special requirements required by Marketer to conduct the audit, will be paid by Marketer.

9.3 *Handling of Materials*. Materials of NJNG reviewed by Marketer in the course of the audit, shall be deemed confidential and shall be treated in accordance with the provisions of Article VIII of this Agreement. The use of audit materials by Marketer shall be limited to the conduct of the audit and the preparation of a report for appropriate distribution by Marketer to those within its organization who need to know the results of the audit and who are contractually obligated to treat such report and the information it contains confidential.

X. **CHANGES**

NJNG may change the terms and conditions and rates and charges contained in this Agreement and any Exhibits, Addenda and Attachments to this Agreement upon providing sixty (60) days written notice to Marketer. In addition, NJNG reserves the right to discontinue or withdraw the Billing Option 1 Service, or any part thereof, upon prior notice to Marketer, without incurring any liability in connection therewith. Notwithstanding any provisions to the contrary, however, changes or withdrawals required by the BPU or other

governmental authority having jurisdiction over this Agreement, shall become effective as directed by that authority.

XI. TERMINATION

11.1 *Discretion to Terminate.* NJNG reserves the right, in its sole and absolute discretion, to terminate this Agreement, or any portion thereof, upon prior written notice to Marketer, if: (a) Marketer breaches said Agreement or is in default of any obligation hereunder, and the breach or default has not been cured within thirty (30) days from the date Marketer is notified of such breach or default; or (b) Marketer (i) applies for or consents to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property; (ii) becomes insolvent; (iii) makes a general assignment for the benefit of creditors; (iv) suffers or permits the appointment of a receiver for its business or assets; (v) becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, voluntarily or otherwise; or (vi) fails to contest in a timely or appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the Federal Bankruptcy Code or any application for the appointment of a receiver, custodian, trustee, or liquidation of itself or of all or a substantial part of its property, or its reorganization, or dissolution.

11.2 *Surviving Liability.* Termination pursuant to this Section shall not relieve Marketer of any liability incurred prior to the effective date of termination.

11.3 *Collection Costs.* NJNG shall be entitled to receive from Marketer any costs of collection activity including court costs and reasonable attorneys fees incurred to secure payment by Marketer for Billing Option 1 Service.

XII. NOTICE AND DEMANDS

12.1 *Notices.* All notices requests, demands, or other communications required or permitted under this Agreement shall be in writing and shall be deemed delivered (i) on the date of delivery when delivered by hand, (ii) on the date of transmission when sent by telex, electronic mail or facsimile transmission during normal business hours with telephone confirmation of receipt, (iii) one (1) day after dispatch when sent by overnight courier maintaining records of receipt or (iv) five (5) days after dispatch when sent by registered mail postage prepaid, return-receipt requested all addressed as follows (or to such other addresses as shall be given in writing by either party to the other):

TO NJNG:

Payment: New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
Attention: Supervisor, Disbursements

Billing and Notices: New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
Attention: Manager, Gas Transportation

TO MARKETER:

Billing:

Attention: _____

Payment:

Attention: _____

Notices:

Attention: _____

Any changes in the above payment, billing and notice information shall be effective upon notice by one party to the other.

XIII.
WARRANTY DISCLAIMER

Except as provided above, NJNG makes no, and hereby disclaims any, representation or warranty with respect to the services, whether express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, or non-infringement of third party rights.

XIV.
FORCE MAJEURE

NJNG shall not be held liable for any delay or failure in performance of this Agreement resulting from any cause beyond its control, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts of omission or commission by third parties.

XV.
USE OF BILLING INTERMEDIARY

NJNG, at its option, may provide the Billing Option 1 Service pursuant to this Agreement through a third-party billing intermediary.

XVI.
MISCELLANEOUS

16.1 *Tariff Requirements Govern.* In the event of any conflict between the terms and conditions of this Agreement and those of the Tariff or any regulatory requirements, the terms and conditions of the Tariff or regulatory requirements shall control. However, the parties intend that this Agreement, to the extent not in conflict with the Tariff or regulatory requirements, supplement the Tariff or regulatory requirements, supply

necessary operational practices, and be construed to the fullest extent possible in harmony with the Tariff or regulatory requirements.

16.2 *Assignments.* Any assignment by Marketer of any right, obligation or duty, in whole or in part, or of any other interest hereunder, without the written consent of NJNG, shall be null and void. NJNG reserves the right to assign its obligations and rights hereunder, or any part thereof, without the prior written consent of Marketer.

16.3 *Waivers.* No amendment or waiver of any provision of this Agreement and no consent to any default under this Agreement shall be effective unless the same shall be in writing and signed by both parties.. In addition, no course of dealing or failure of a party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition.

16.4 *No Third Party Beneficiaries.* This Agreement shall not provide any person not a party to this Agreement with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

16.5 *Governing Law.* This Agreement shall be governed by the laws of the state of New Jersey.

16.6 *Entire Agreement.* This Agreement and any all attached Exhibits Attachments or Schedules, constitute the entire understanding between the parties and supersede all prior understandings, oral or written representations, statements, negotiations, proposals and undertakings with respect to the subject matter hereof.

16.7 *Execution in Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same document.

16.8 *Headings.* The headings in this Agreement are for convenience and shall not be construed to define or limit any of the terms herein or affect the meanings or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties through their duly authorized representatives, as they so declare and represent, have entered into this Agreement as of the date first written above.

TRANSPORTER

MARKETER

NEW JERSEY NATURAL GAS COMPANY

1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

(Please print name & address)

(Signature)

(Signature)

(Print Name)

(Print Name)

(Print Title)

(Print Title)

Date:_____

Date:_____

CORPORATE GUARANTY APPLICATION

NEW JERSEY NATURAL GAS COMPANY
1415 WYCKOFF ROAD
WALL, NEW JERSEY 07719
ATTN: TREASURY SERVICES

MARKETER/BROKER INFORMATION

COMPANY NAME _____ STATE OF INC. _____
ADDRESS _____ DATE OF INC _____
CREDIT CONTACT _____
TELEPHONE NO. _____ FAX _____

BANK REFERENCE

NAME _____ ACCT. # _____
ADDRESS _____
CONTACT _____
TELEPHONE NO. _____ FAX _____

TRADE REFERENCE (Minimum of 2)

	A	B	C
NAME	_____	_____	_____
ADDRESS	_____	_____	_____
CONTACT	_____	_____	_____
TELEPHONE NO.	_____	_____	_____

LIST OF ALL COROPRATE AFFILIATES, PARENT COMPANIES, & SUBSIDIARIES. INCLUDE FULL NAME OF CORPORATION, STATE OF INC., DATE OF IN. AND INDICATE WHETHER PARENT, SUBSIDIARY OR AFFILIATE.

REQUIRED FINANCIAL INFORMATION TO BE SUBMITTED WITH APPLICATION

- Current Audited Financial Statements of Parent and Applicant
- Current Audited Annual Report of parent and Applicant
- Current Audited 10-K Report of Parent and Applicant
- Any Available Reports From Credit Reporting & Bond Rating Agencies of Parent and Applicant
- Confirmation in writing that the applicant or applicant's parent company is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws
- Confirmation in writing that no significant lawsuits or judgments are outstanding which would seriously affect the applicant's or applicants parent companies' ability to remain solvent.

CORPORATE GUARANTY

This CORPORATE GUARANTY entered into on _____, 20_ by _____ with its principal office at _____ (“Guarantor”) on behalf of _____, with its principal office at _____ (“Marketer”), to New Jersey Natural Gas Company, with its principal office at 1415 Wyckoff Road, Post Office Box 1464, Wall, New Jersey 07719 (“NJNG” or the “Company”).

WITNESSETH

WHEREAS, _____ and the Company are parties to a Marketer and Brokers Agreement under Service Classification MBR of the Company’s Tariff (the “Agreement”) as amended and approved by the New Jersey Board of Public Utilities from time to time;

WHEREAS, all of the terms of the Agreement are incorporated herein by reference;

WHEREAS, it is a condition precedent to the Company executing the Agreement and performing thereunder that the Guarantor shall, *inter alia*, have executed and delivered to the Company this Guaranty guaranteeing the obligations of _____ under the Agreement; and

NOW, THEREFORE, in consideration of the Agreement herein and other goods and valuable consideration, receipt of which is hereby acknowledged, the Guarantor hereby agrees as follows:

1. The Guarantor hereby irrevocably, absolutely and unconditionally: (i) guarantees the prompt payment by _____, as and when due and payable all amounts now and hereafter owing in respect of the Agreement; (ii) guarantees due performance and observance by _____ of its obligations and Liabilities now or hereafter existing in respect of the Agreement; and (iii) agrees to pay any and all expenses (including reasonable attorneys’ fees and expenses) incurred by the Company in enforcing its rights under this Guaranty up to an amount of \$_____.

2. This Guaranty is a continuing guarantee of payment (not of collection) and all liabilities and obligations to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon.

3. The Guarantor waives notice of: (a) the acceptance by the Company of this Guaranty; (b) the making of any extension of credit by the Company to _____ (c) a declaration of an event of default; and (d) the failure by _____ to perform any obligations guaranteed hereby. The Guarantor further waives demand, presentment, dishonor and notice of dishonor of any instrument representing an indebtedness guaranteed hereby. This Guaranty shall be enforceable by the Company without regard to, and without the necessity for resorting to, any property or interest therein held by the Company at any time or from time to time as security for the payment of any indebtedness guaranteed hereby, and without regard to, and without necessity for resorting to, _____ or to any other guarantor of any obligation of _____ to the Company.

4. No invalidity, irregularity or unenforceability of all or any part of the liabilities hereby guaranteed or of any security therefor shall affect, impair or be a defense to this Guaranty and this Guaranty is a primary obligation of the Guarantor.

5. The Company may, without notice to and without the consent of the Guarantor, and without impairing or in any way affecting the liability of the Guarantor to the Company: (a) extend the time for payment or otherwise alter the terms of provisions of the Agreement; (b) exchange or surrender all or any part of any property or interest held by the Company by waive of pledge, mortgage, security interest, or otherwise, as security for the payment of any obligation guaranteed hereby; (c) release, or settle or compromise with, any other guarantor or guarantors of any obligation of _____ to the Company; (d) exercise or refrain from exercising any rights against _____ or others (including the Guarantor) or otherwise act or refrain from acting; and (e) apply any sums by whomsoever paid or however realized to any Liability or Liabilities of _____ to the Company regardless of what Liability or Liabilities of _____ remain unpaid or unperformed.

6. Guarantor represents and warrants that:

(a) this Guaranty is a legal, valid, binding obligation and enforceable obligation against itself in accordance with its terms;

(b) no consent or approval of any holder of any indebtedness or obligation is necessary in connection with the execution of any provision, condition, covenant or other term hereof;

(c) there is no provision of any indenture or agreement, written or oral, to which the Guarantor is obligated, or any statute, rule or regulation, or any judgment, decree or order of any court or agency binding on the Guarantor that could be contravened by the execution or by the performance of any provision, condition, covenant or other term hereof; and

(d) no action or proceeding is now pending or to Guarantor's knowledge threatened against Guarantor at law, in equity or otherwise, before any court, board, commission, agency or instrumentality of any federal, state or local government agency or subdivision thereof, or before any arbitrator or panel which would impair Guarantor's ability to perform hereunder.

7. This Guaranty shall be governed by, and construed in accordance with the laws of the State of New Jersey. The Superior Court of New Jersey or the United States District Court for the District of New Jersey shall have jurisdiction to hear any disputes or claims arising under or relating to this Guaranty. Guarantor agrees to submit to the jurisdiction of the Superior Court of the State of New Jersey or the United States District Court for the District of New Jersey for the purpose of resolving any claims or disputes hereunder.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above written.

Attest:

(Authorized Signature)

(Print or Type Name)

(Title)

(Company)

By:

(Authorized Signature)

(Print or Type Name)

(Title)

(Company)

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Number _____

THAT WE _____, as Principal, and _____, a surety company authorized to do business in the State of New Jersey, as Surety, are held and firmly bound to NEW JERSEY NATURAL GAS COMPANY (hereafter "Obligee"), a corporation organized and existing under the laws of the State of New Jersey, its successors and assigns, in the amount of _____ dollars (\$_____), lawful money of the United States of America for the payment of which the Principal and Surety, their heirs, executors, administrators, successors and assigns, are hereby jointly and severally bound.

WHEREAS, Obligee requires the Principal to guarantee the payment of obligations incurred under the Marketer and Broker Service Classification of the Obligee's tariff, and Principal may do so by furnishing this surety bond for payment of obligations incurred under the Marketer and Broker Service to be rendered by Obligee.

NOW THEREFORE, in the event the Principal shall fail to fully pay Obligee for such services when finally due, the Surety agrees to deliver payment to Obligee within thirty (30) days of receipt of the demand for payment by Obligee.

PROVIDED FURTHER, that regardless of the number of years this bond shall continue or be continued in force, or of the number of premiums which shall be payable or paid, the Surety shall not be liable hereunder for a larger amount, in the aggregate, than the amount of this bond, unless suit must be brought for enforcement of the surety obligations, in which case the Surety will also be liable for all costs in connection therewith and reasonable attorney's fees, including costs of and fees for appeals, and interest from thirty (30) days after receipt of demand; and

PROVIDED FURTHER, that this bond may be canceled by the Surety as to subsequent liability by giving thirty (30) days notice in writing by certified mail to Obligee, however, the Surety shall remain liable with respect to service(s) furnished to Principal prior to the effective date of the thirty days notice.

NEW JERSEY NATURAL GAS COMPANY 1415 Wyckoff Road, P.O. Box 1464 Wall, New Jersey 07719
--

Signed and sealed
this _____ day of _____, A.D., 20__

Claims and correspondence hereunder should be mailed to the _____
following address (to be filled out by insurance company): (Customer - corporate and individual name and d/b/a)

By: _____

Title (Corporate officer, partner or general partner of limited partnership)

SURETY UNDER SEAL