

**EXHIBIT B**  
**ORIGINAL SERVICE AGREEMENT**  
**REDACTED PUBLIC VERSION**

**SERVICE AGREEMENT**  
**FOR SERVICE CLASSIFICATION FT**

This Agreement dated October 28, 2002, is made between NEW JERSEY NATURAL GAS COMPANY, a New Jersey corporation, having an office at 1415 Wyckoff Road, P.O. Box 1464, Wall, New Jersey 07719 ("NJNG"), and OCEAN PEAKING POWER, LLC, a Delaware corporation, having an office at 122 Energy Way, Lakewood, New Jersey 08701 ("Customer").

**W I T N E S S E T H:**

WHEREAS, NJNG owns and operates certain natural gas distribution facilities in the State of New Jersey through which it is able to provide Firm Transportation Service ("FT Service") pursuant to the Standard Terms and Conditions of NJNG's Tariff;

WHEREAS, Customer is desirous of obtaining and has requested NJNG to provide FT Service to certain facilities that Customer owns and operates at 122 Energy Way, Lakewood, New Jersey, (Customer's Facility);

WHEREAS, NJNG is willing to provide the FT Service requested by Customer;

WHEREAS, Customer has received a complete copy of the terms and conditions of service approved by the New Jersey Board of Public Utilities ("BPU") for FT Service and agrees to be bound by such, and further agrees that this Agreement is subject to the terms and conditions of FT Service and the Standard Terms

and Conditions of NJNG's Tariff and any changes therein as approved by the BPU;

NOW, THEREFORE, NJNG and Customer agree as follows:

ARTICLE I: SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of NJNG's Service Classification FT, and of the Standard Terms & Conditions of NJNG's Gas Tariff, transportation service hereunder will be firm.

Customer shall tender to NJNG or cause to be tendered for transportation a maximum daily quantity ("MDQ") of

(Dth) of natural gas, plus gas for retainage by NJNG, for redelivery by NJNG to Customer at Customer's Facility; provided further, however, that Customer's entitlement to FT Service under this Agreement shall be limited as follows:

A. Summer Period. During the Summer Period, defined herein for purposes of this Agreement as the period beginning May 15 and ending September 15, Customer's MDQ entitlement to FT Service shall be subject to a maximum hourly take limitation of \_\_\_\_\_ per hour, at a minimum pressure of \_\_\_\_\_ and shall not exceed a total of \_\_\_\_\_ per day.

B. Non-Summer Period. During the Non-Summer Period, defined herein for purposes of this Agreement as the period beginning September 16 and ending May 14, Customer shall not be entitled to any specified minimum level of service; however,

during such periods NJNG shall use its best efforts to provide firm transportation service to Customer as requested.

ARTICLE II: COMMENCEMENT OF SERVICE AND TERM OF AGREEMENT

Commencement of service under this Agreement and Customer's and NJNG's rights and obligations under this Agreement are expressly made subject to satisfaction of the following conditions precedent (which NJNG, in its sole discretion, will have the right to waive):

(A) NJNG's receipt and acceptance of all necessary authorizations from the New Jersey Board of Public Utilities ("BPU"), including rate and revenue treatment approvals, if any, in connection with NJNG's providing firm transportation service to Customer on the terms set forth herein; provided, however, that any such approvals or authorizations by the BPU relating either to this Agreement, or to any related requests by NJNG for BPU approval of the rate or revenue treatment of this Agreement, shall be on terms acceptable to NJNG in its sole discretion.

(B) NJNG's receipt of documentation establishing Customer's creditworthiness relative to its performance obligations under this Agreement, as further set forth in Article VIII hereof, in form and substance acceptable to NJNG in its sole discretion, which documentation Customer must provide within twenty (20) days after the execution date of this Agreement.

Upon full satisfaction (or waiver by NJNG) of the foregoing conditions precedent, service under this Agreement will commence on the date of commercial operation of Customer's Facility, or by August 1, 2003, whichever date is earlier, unless the Parties hereto otherwise agree in writing to a later commencement date.

The term of this Agreement shall be \_\_\_\_\_ from the commencement date of service and shall continue thereafter for successive one (1) year terms unless terminated by either Party on written notice to the other Party at least \_\_\_\_\_ prior to the expiration of the Agreement.

**ARTICLE III: RATES AND CHARGES**

Unless the Parties hereto otherwise agree, Customer shall pay all generally applicable administrative, delivery and meter-related rates and charges for Rate Schedule FT Service, as set forth in NJNG's Tariff, and as the same may hereafter be legally changed, amended or superseded. Customer agrees that NJNG shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in such rates and charges, and to the Standard Terms and Conditions of NJNG's Gas Tariff, provided that Customer shall have the right to challenge any such filings or proposed changes in such rates and charges.

Pursuant to this Agreement, Customer shall also pay monthly demand charges, fuel retention, operational balancing and other variable charges as specifically set forth on Exhibit A hereto. If and to the extent any rates or charges set forth on Exhibit A differ from the rates or charges set forth in NJNG's Gas Tariff for the same or similar services, the rates and charges set forth on Exhibit A shall control.

**ARTICLE IV: POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY**

The point of receipt for all volumes of natural gas Customer shall tender or cause to be tendered to NJNG under this Agreement shall be

. The point of delivery under this Agreement shall be Customer's Facility.

**ARTICLE V: DELIVERY PRESSURE**

NJNG's obligation to provide service to Customer under this Agreement at a minimum operating pressure shall be contingent upon and expressly subject to NJNG's receipt of natural gas under this Agreement at .  
at a minimum normal operating pressure of

**ARTICLE VI: NOMINATIONS, OPERATIONAL BALANCING ACCOUNT AND OVERRUN USAGE**

A. Nominations. Customer's nominations for service under this Agreement must be made on NJNG's electronic bulletin board

by 2:00 p.m. (E.S.T.) on the day prior to requested delivery, and Customer's actual daily takes shall not exceed its nominations.

B. Operational Balancing Account and Overrun Usage. It is the intent of the Parties that Customer's actual daily takes under this Agreement exactly match Customer's daily nominations, and that Customer's actual daily deliveries exactly match Customer's actual daily takes. Notwithstanding the foregoing, if Customer's actual deliveries vary from its actual takes on any given gas day, each dekatherm of such difference, up to \_\_\_\_\_, shall be credited to Customer's Operational Balancing Account ("OBA"), when Customer's actual takes exceed its actual deliveries, or shall be debited from Customer's OBA, when Customer's actual deliveries exceed its actual takes.

Customer shall pay an Operational Balancing Charge ("OBC"), calculated on a daily basis, which shall equal the absolute value of Customer's OBA at the end of the gas day less a

tolerance level multiplied by the daily OBC indicated on Exhibit A. No OBC shall apply for any day when the absolute value of the OBA is less than \_\_\_\_\_. In no event shall Customer's OBA exceed \_\_\_\_\_, positive or negative.

Customer is responsible for achieving a zero balance in its OBA on September 30<sup>th</sup> of each calendar year. For the sole purpose of facilitating Customer's ability to lower its OBA, NJNG may take delivery of Customer volumes at a mutually agreeable delivery point at or upstream of NJNG's facilities.

If Customer's actual deliveries nevertheless vary from its actual takes by more than \_\_\_\_\_ on a given gas day, or if Customer's OBA exceeds the \_\_\_\_\_ limit, the amount of any such variance or excess, as applicable, shall be deemed to constitute unauthorized overrun usage. In that event, consistent with Special Provision 7 of Service Classification FT, NJNG shall have the right to terminate service to Customer and/or to bill Customer for usage at the rate of ten (10) times the highest cost of gas, as determined by NJNG, used by NJNG on the gas day.

**ARTICLE VII: CHARACTERISTICS OF SERVICE**

Consistent with Section 9.1 of the Standard Terms and Conditions of NJNG's Gas Tariff, NJNG shall have the right, upon reasonable notice, to suspend, curtail or discontinue its service to Customer for purposes of making repairs, changes, replacements, or improvements in any part of its system; however, in recognition of Customer's entitlement to service under this Agreement during the Summer Period, NJNG agrees to use its best efforts to avoid and/or minimize the duration of



any such suspension, curtailment or discontinuance of service to Customer during the Summer Period.

**ARTICLE VIII: CREDITWORTHINESS AND FINANCIAL RESPONSIBILITY**

To establish Customer's creditworthiness relative to its performance obligations under this Agreement, the parent company of Customer shall provide NJNG with a standby irrevocable letter of credit, a prepayment, a performance bond or a corporate guarantee, in such form and subject to such terms as Customer's parent company and NJNG mutually agree.

In the event Customer shall (i) make an assignment or any general arrangement for the benefit of creditors; (ii) default in its payment obligation to NJNG; (iii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such a petition filed or proceeding commenced against it; (iv) otherwise become bankrupt or insolvent (however evidenced); or (v) be unable to pay its debts as they fall due, then NJNG shall have the right to either withhold and/or suspend services under this Agreement, or terminate this Agreement, without prior notice, in addition to any and all other remedies available hereunder.

**ARTICLE IX: NECESSARY REGULATORY APPROVALS**

Subject to the terms and conditions of this Agreement, NJNG shall proceed with due diligence to obtain all necessary

regulatory approvals, if any, from all governmental and regulatory authorities having competent jurisdiction over this Agreement, including but not limited to the BPU. NJNG reserves the right to file and prosecute any and all petitions or requests for such approvals, and related requests for rate or revenue treatment of the firm service to be provided hereunder, in such a manner as it deems to be in its best interest.

Customer expressly agrees to use diligent and commercially reasonable efforts to support and cooperate with, and not to oppose, obstruct or otherwise interfere with in any manner whatsoever, the efforts of NJNG to obtain all governmental or regulatory authorizations, if any, as may be necessary for NJNG to provide service under this Agreement to Customer.

**ARTICLE X: REPRESENTATIONS OF THE PARTIES**

Each Party hereto represents and warrants that (i) this Agreement has been duly authorized, executed and delivered by it and constitutes a valid and legally binding agreement enforceable against it in accordance with its terms, and (ii) the execution, delivery and performance of this Agreement by it does not conflict with or violate any term of its charter or by-laws, or its certificate of limited partnership or partnership agreement (if applicable), as the case may be, or any material contract or agreement applicable to it.

ARTICLE XI: INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New Jersey, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

ARTICLE XII: NOTICES

All notice or other communication under this Agreement shall be in writing and be deemed given when delivered or when mailed by regular mail or registered or certified mail, return receipt requested, to the address designated below:

New Jersey Natural  
Gas Company  
1415 Wyckoff Road  
Wall, N.J. 07719  
Attn: Joseph P. Shields  
Senior Vice President  
Facsimile: 732-938-7547

Ocean Peaking Power, ~~Inc.~~ L.L.C.  
122 Energy Way  
Lakewood, N.J. 08701  
Attn: Michael Madia  
Vice President & Chief  
Operating Officer  
Facsimile: 732-904-6019 (S)

ARTICLE XIII: ASSIGNMENTS

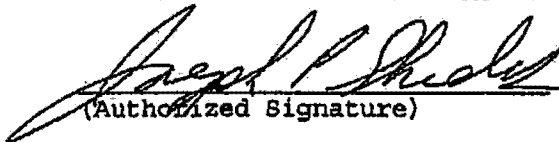
Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of NJNG, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement; and either Customer or NJNG may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit


agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor NJNG shall assign this Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor NJNG shall be released from its obligations hereunder without the consent of the other.

IN WITNESS WHEREOF, the Parties thereto have duly executed this Agreement as of the date above.

NEW JERSEY NATURAL GAS COMPANY

OCEAN PEAKING POWER, LLC

  
(Authorized Signature)

  
(Authorized Signature)

Joseph P. Shields  
(Print Name)

Michael Madia  
(Print Name)

Sr. V.P.- Energy Services 11/13/02  
(Title) (Date)

VP & Chief Operating Officer 11/7/02  
(Title) (Date)

**Exhibit A**

**Rates and Charges**

**Monthly Demand Charge:**

**Variable Rate For the Period  
May 15-September 15**

**Variable Rate For the Period  
September 16-November 30**

**Variable Rate For the Period  
December 1- February 28 or 29**

**Variable Rate For the Period  
March 1 - May 14**

**Fuel Retention**

**OBC**