

356/ For the period 11/1/2022 through 11/30/2022, the daily charge shall be the MDQ multiplied by the "Formula Rate" unless a "Rate Adjustment Election" has been made as defined below. If a Rate Adjustment Election has been made in accordance with paragraphs below, for the quantity elected on any day, the daily charge shall be the Rate Adjustment Election MDQ multiplied by the Adjusted Formula Rate. The Formula Rate will apply for any quantity not included in the Rate Adjustment Election. The monthly charge is the sum of the daily charges for the applicable month.

The "Formula Rate" shall equal the arithmetic value obtained from the formula  $[(D \text{ minus } ((R \text{ plus } I) \text{ divided by } F)) \text{ times } S]$ , where (D) = the Midpoint price from Platts "Gas Daily" Northern, demarc; (R) = the Midpoint price from Platts "Gas Daily" Waha; (I) = \$0.02; (F) = 1.0 less the applicable fuel percentage for deliveries to NNG Field MKT Demarcation - 16B (POI 37654) (Demarc) from Fuel Section 1; and (S) = 0.95.. However, when calculating the "Formula Rate," in no event will  $[(D \text{ minus } ((R \text{ plus } I) \text{ divided by } F)) \text{ times } S]$  be less than \$0.00.

For any day Shipper has made an effective Rate Adjustment Election, the Adjusted Formula Rate shall equal the Formula Rate except when the Formula Rate is greater than \$1.50. When the Formula Rate is greater than \$1.50, the Adjusted Formula Rate shall equal \$1.50.

Solely in the event the Shipper's firm natural gas supply fails to be available to the Shipper on a Gas Day due to operational issues associated with the natural gas firm supply, Shipper may elect to modify its daily charge by making a Rate Adjustment Election. In no event may Shipper use the Rate Adjustment Election for any reason other than a verifiable loss of its natural gas supply. To the extent Shipper uses its Rate Adjustment Election, it shall be Shipper's obligation to verify such loss of natural gas supply, at the request of Northern, including verifying that the lost natural gas supply was acquired on a firm basis, consistent with industry standards.

To make a Rate Adjustment Election, Shipper will provide notice to Northern of its intent to exercise the Rate Adjustment Election as soon as reasonably practicable. The notice must include the number of days the Rate Adjustment Election is to remain in effect and the quantity to which the election applies (the "Rate Adjustment Election MDQ"). Verification information must be timely provided to Northern upon request. In the event Shipper is able to replace its natural gas supply prior to the close of the Gas Day on any day Shipper has provided Northern notice of a Rate Adjustment Election, Shipper must notify Northern of its intent to replace the supply and modify the Rate Adjustment Election for the current Gas Day. To the extent any Rate Adjustment Election supply is modified, the original rate formula components "R" and "D" and "I" will be adjusted for the identified portion of the Rate Adjustment Election quantity each day by substituting Shipper's actual purchase price in "R" (Midpoint price from Platts Gas Daily index for the receipt location), the actual selling price in "D" (Midpoint price from Platts Gas Daily for the delivery location), and where "I" (premium or discount to applicable index) is replaced with zero. If daily scheduled quantities exceed the Rate Adjustment Election quantity, the original "Formula Rate" charges will be applicable to those excess scheduled quantities. Shipper may use the Rate Adjustment Election for any Gas Day during the term of service.