

<u>Shipper Name:</u>	Sequent Energy Management LLC
<u>Contract No.:</u>	138871
<u>Rate Schedule:</u>	TFX
<u>Term of Negotiated Rate:</u>	11/01/2025 through 03/31/2026
<u>Non-conforming Agreement:</u>	No
<u>Winter Quantity Dth/day:</u>	5,000
<u>Summer Quantity Dth/day:</u>	0
<u>Receipt Points:</u>	Brownfield Pool
<u>Delivery Points:</u>	NNG Field/MKT Demarcation-16B, Demarc Def. Delivery

The daily charge shall be the MDQ multiplied by the "Formula Rate" unless a "Rate Adjustment Election" has been made as defined below. 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) = \$0.025; (F) = 1.0 less the applicable fuel percentage for deliveries to NNG Field MKT Demarcation-16B (POI 37654) (Demarc) from Fuel Section 1, (S) = 0.93. However, when calculating the "Rate," in no event will $[(D \text{ minus } ((R \text{ plus } I) \text{ divided by } F)) \text{ times } S]$ be less than \$0.00.

Rate Adjustment Election. Solely in the event the Shipper's Firm Natural Gas Supply becomes unavailable to the Shipper to transport on Northern due to an operational issue that results in a Verified Loss of Shipper's Firm Natural Gas Supply, Shipper may elect to adjust its daily charge ("Rate Adjustment Election").

- i. Firm Natural Gas Supply. Firm Natural Gas Supply shall mean that the natural gas supply was purchased on an uninterruptible basis and contracted for transport on a primary firm service prior to the operational issue resulting in the loss of supply.
- ii. Operational Issue. The operational issue must be outside of the control of Shipper and not due to price considerations or priority of service.
- iii. Verified Loss. It shall be Shipper's obligation to verify to the satisfaction of Northern the unavailability of Shipper's Firm Natural Gas Supply to transport on Northern. Verification requirements may include, but not be limited to, that the natural gas was contracted and transported on a firm basis to primary points, the total quantity of Firm Natural Gas Supply that became unavailable to Shipper, the location of the natural gas supply that became unavailable, the total amount of Firm Natural Gas Supply affected by the operational issue ("Verified Lost Supply"), the total amount of natural gas supply available to the Shipper to transport on Northern prior to the operational issue ("Total Supply Available"), and the reason(s) the natural gas supply became unavailable. The inability or failure to purchase Firm Natural Gas Supply as a result of weather conditions or otherwise shall not constitute a verified loss for that Gas Day.

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, but no later than the end of the first affected Gas Day. 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"). For any primary receipt point affected by a verified loss of Firm Natural Gas Supply, the percentage of Rate Adjustment Election MDQ, including contiguous paths, to total MDQ associated with the operational issue shall not exceed the pro rata supply loss at the affected primary receipt point. The pro rata supply loss will be calculated by dividing the Verified Lost Supply by the Total Supply Available.

If a Rate Adjustment Election has been made, the daily charge for the Rate Adjustment Election MDQ

shall be the Rate Adjustment Election MDQ multiplied by the "Adjusted Formula Rate." The "Adjusted Formula Rate" shall equal the Formula Rate, except when the Formula Rate is greater than \$1.25. When the Formula Rate is greater than \$1.25, the Adjusted Formula Rate shall equal \$1.25. The Formula Rate will apply for any quantity not included in the Rate Adjustment Election MDQ.

In the event Shipper is able to replace its natural gas supply prior to the close of the Gas Day on any day Shipper made a Rate Adjustment Election, Shipper must notify Northern of its intent to replace the supply and Northern must agree to 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 Winter Months of November through March.

In the event that Shipper makes a Rate Adjustment Election for any Gas Days that have not been completed, Northern may, in its sole discretion, direct Shipper to reduce the point quantity at the affected points for any Gas Days where the Rate Adjustment Election has been made and Shipper shall reduce the point quantity at the affected points. For any Gas Day where quantities are reduced, the Rate Adjustment Election will no longer be applicable for those quantities and the rate charged will be \$0.00/Dth/day for such quantities. Notwithstanding the above, the parties may mutually agree to realign to mutually agreeable points. The rate for any realigned quantities shall be the Adjusted Formula Rate or other mutually agreeable rate. Any Verified Loss of Shipper's Firm Natural Gas Supply that results in reduced or realigned quantities as a result of the Shipper's Rate Adjustment Election may not be applied to any other MDQ for purposes of calculating additional quantities eligible for a Rate Adjustment Election.

In addition to the above rates, Shipper shall provide any applicable fuel use and unaccounted for.

The rates set forth above are applicable to the receipt and delivery points (POI) listed above. For any delivered quantities on any day from receipt points not listed above located in MIDs 1 through 16B Shipper shall pay an additional \$0.40/Dth/day charge. In addition to the foregoing, for quantities delivered to non-primary delivery points, Shipper shall pay an additional (i) \$0.40/Dth/day charge for deliveries to points located in MIDs 1 through 16A. Notwithstanding the aforementioned, in the event of an outage on Northern's pipeline system that impacts the Shipper's ability to schedule any primary receipt and delivery points, Shipper may use, at the rates set forth above, (1) any Field Area receipt point located in MIDs 8 through 16A for delivery to Demarc or Demarc Def.-Delivery; or (2) any receipt point located in MIDs 8 through 16A for delivery to any Field Area delivery point not listed above located in MIDs 8 through 16A.

If any primary points are realigned, Shipper shall pay an additional \$0.30/Dth/day for the entire contract MDQ for the remaining term of the Agreement; however, Shipper and Northern may mutually agree to a realignment between points located in MIDs 1 through 16A. Notwithstanding the aforementioned, the rate for such agreed upon realignment will be the rate set forth above.