



**Asset Management Arrangement – Package 1
Niagara Mohawk Power Corporation d/b/a National Grid**

TRANSACTION CONFIRMATION

Date: August 26, 2022

Transaction Confirmation #: _____

This Transaction Confirmation was awarded pursuant to National Grid's Request for Proposals for an Asset Management Arrangement ("AMA") dated May 18, 2022. This Transaction Confirmation is subject to the Base Contract for Sale and Purchase of Natural Gas between Seller and Buyer, dated July 1, 2008 ("Base Contract"). Terms not defined in this Transaction Confirmation shall have the meaning provided in the Base Contract. ***This Transaction Confirmation will not become binding until executed by both parties.***

SELLER:

Castleton Commodities Merchant Trading L.P.
2200 Atlantic Street, Suite 800
Stamford, CT 06902-6834

Attn: Contract Administration
Phone: (281) 378 - 1142
Email: HTN-CTRAdmin@cci.com
Transporters:
Transporters Contract Number:
Trader: John Borruso

BUYER:

Niagara Mohawk Power Corporation d/b/a National Grid
100 East Old Country Road
Hicksville, New York 11801
Attn: Contract Administration
Email: Confirmationseprm@nationalgrid.com
Transporters: Enbridge Gas Inc. ("Enbridge"), TransCanada
Pipelines Limited ("TransCanada")
Transporters Contract Number: M12186, 42385
Trader: Samara Jaffe

Contract Price: See Special Conditions Section C below.

Term: Begin: November 1, 2022

End: October 31, 2023

Performance Obligation and Contract Quantity: See Special Conditions below.

Delivery Point(s): The Delivery Point shall be the interconnection between the facilities of TransCanada and Iroquois Gas Transmission System at Waddington, NY.

Special Conditions:

A. Definitions

"Assets" means the Agreements summarized as follows:

Pipeline & Contract	Quantity Dt/day ("MDQ")	Receipt Point	Delivery Point
Enbridge M12186	35,000	Dawn	Parkway
TransCanada 42385	35,000	Parkway	Waddington

"CER" shall mean the Canada Energy Regulator.

"CFTC" shall mean the U.S. Commodity Futures Trading Commission.

"Dekatherm" or "Dth" or "dt" means one (1) MMBtu.

"FERC" means the Federal Energy Regulatory Commission.

"ICE Calendar" means the Trading Holiday Calendar published by ICE Futures U.S. for the year in question.

"Letter of Credit" means an irrevocable, non-transferable, standby letter of credit issued by a major U.S. commercial bank, a U.S. branch office of a foreign bank, or U.S. financial institution, in any case with a credit rating of at least "A-" by S&P and "A3" by Moody's, in a form reasonably acceptable to the Buyer. All costs related to any Letter of Credit shall be for the account of the Seller.

"Moody's" means Moody's Investors Service, Inc. or its successor.

"Program" means Buyer's state approved retail access program.

"S&P" means S&P Global Ratings, or its successor.

B. Gas Service and Capacity Assignment

1. **Assignment of Assets:** During the Term, Buyer will assign the Assets to Seller on a Monthly basis after determining Program requirements. Seller shall initially pay the demand charges to TransCanada and Enbridge and Buyer shall reimburse Seller for such charges. Buyer shall reimburse Seller for demand charges in U.S. dollars using the Bank of Canada's monthly average exchange rate for the Month of business as published on the last Business Day of the Month of production. Buyer and Seller each agree to take such actions and execute such documents as may be required to effectuate the assignment of the Assets from Buyer to Seller and to comply with Buyer's Program. All assignments shall be subject to recall in the event that the Seller fails to meet its gas supply obligation to Buyer and Buyer terminates this AMA in accordance with the terms of the Base Contract; provided however, upon such termination, Seller shall have no obligation to pay the Asset Management Fee or further perform under the AMA from and after the date such termination is effective.

At least five (5) Days prior to the 1st calendar day of each Month, Buyer shall communicate to Seller, in writing via email or instant messaging, the volume of the Assets that Buyer must assign under the Program and the residual amount that shall be made available to Seller under the transaction for the applicable month of the Term. Seller agrees to take all reasonable and necessary actions to allow National Grid to administer the assignments necessary and comply with the Program.

2. Gas Supply Requirements:

- i. **November- March:** Subject to the availability of the Assets to Seller in accordance with the terms hereof and after Buyer has assigned Assets under the Program, on any Day during the period of November 1, 2022 through March 31, 2023 of the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to the MDQ at the Delivery Point of the Assets in Seller's control. The MDQ shall be adjusted upward or downward based upon the deliverability and applicable fuel retention and the Program on each Enbridge and TransCanada Pipelines. Subject to satisfaction of these Gas Supply Requirements and compliance with National Grid's program, Asset Manager shall have the right to optimize the assigned capacity for its own account subject to the following:
 - a) **Base-Load quantities:** At least three Business Days prior to the 1st Day of the following Month of delivery, Buyer shall have the right, but not the obligation, to request Base-Load delivery of such Gas Supply Requirements at the Delivery Point up to the MDQ during the period of November 1, 2022 through March 31, 2023.
 - b) **Daily-Call quantities:** Further, subject to Buyer having exercised its Base-Load quantities pursuant to Special Conditions B.2.i. a), Buyer shall have a right to call on a quantity up to the remaining MDQ for the period of November 1, 2022 through March 31, 2023.
- ii. **April and October:** Subject to the availability of the Assets to Seller after Buyer has assigned Assets under the Program, On any Day during the Months of April 2023 and October 2023 of the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to 10,000 Dth/day at the Delivery Point of the Assets in Seller's control; in the event Seller has insufficient capacity to meet such obligation as a result of assignments under the Program, Seller's obligation shall be limited to the maximum capacity available under the AMA. Subject to satisfaction of these Gas Supply Requirements and compliance with National Grid's Program, Asset Manager shall have the right to optimize the assigned capacity for its own account subject to the following:
 - a) **Base-Load quantities:** At least three Business Days prior to the 1st day of April 2023 and October 2023, Buyer shall have the right, but not the obligation, to request Base-Load delivery of such Gas

Supply Requirements at the Delivery Point up to 10,000 Dth/day during the of April 2023 and October 2023.

- b) Daily-Call quantities: Further, Buyer shall have a right to call on the remaining quantity after the Base-Load quantities option is exercised pursuant to Special Condition B.2.ii. a) for the months of April 2023 and October 2023.

Subject to these Gas Supply Requirements, Seller shall have the right to optimize the assigned capacity for its own account. Seller shall communicate to Buyer any upstream changes to supplies called on pursuant to this Special Conditions section no later than 1:00 PM Eastern Prevailing Time on the Day prior to the Day of Gas flow. Acceptance of changes to firm Base-Load supplies communicated by Seller to Buyer after 1:00 PM Eastern Prevailing Time on the Day prior to the Day of Gas flow shall be at Buyer's discretion. Consistent with the terms of the Transaction Confirmation and the deliverability of the Assets, Buyer may nominate, and Seller must supply those supplies unaccounted for after the 1:00 PM Eastern Prevailing Time on the Day prior to the Day of Gas flow deadline from the Assets assigned to Seller by Buyer.

3. **Nominations:** Buyer shall make all nominations for delivery of Daily Call supplies pursuant to Special Conditions B.2.i. b) and B.2 ii. b) prior to 10:00 AM Eastern Prevailing Time on the Business Day prior to the Gas Day on which delivery of Gas is requested. Friday nominations shall be for Saturday through Monday (ratably). Holidays are as determined by ICE Futures US. pursuant to the ICE Calendar and shall be treated the same as weekends (i.e., nominated ratably on Business Day prior to the Holiday).
4. **Termination Right:** If at any time during the Term, Seller fails to deliver Gas required to be delivered hereunder or compliance with allowing Buyer to administer its Program, unless such failure is excused by the Buyer's non-performance or caused by Force Majeure or is otherwise excused in accordance with this Transaction Confirmation, Buyer shall have the right to terminate this Transaction Confirmation and recall the Assets under the terms of the Base Contract provided however, upon such termination, Seller shall have no obligation to pay the Asset Management Fee or further perform under the AMA from and after the date such termination is effective.

C. Price

- A. Base-Load Quantities: The price for Gas purchased pursuant to Special Conditions B.2 i. a) and Special Conditions B.2 ii. a) shall be equal to the Midpoint price posted as the "Index" for Upper Midwest, "Dawn, Ontario," as published in *Platts Inside FERC* for the Month of delivery, plus imputed variable costs (including fuel) to transport Gas from Dawn to the Delivery Point.
- B. Daily Call Quantities: The price for Gas purchased pursuant to Special Conditions B.2i. b) and Special Conditions B.2 ii. b) shall be equal to *Platts Gas Daily Price Survey*, Midpoint for Day of flow, Dawn, Ontario, plus imputed variable costs (including fuel) to transport such quantity from Dawn to the Delivery Point.
- C. Notwithstanding the foregoing, if in **Buyer's sole discretion** operational issues on the Assets may preclude Seller from delivering Gas to the Delivery Point at the Base-Load or Daily Call price stated in this Special Conditions C, then Buyer may direct Seller at the Nominations deadline to deliver a certain percentage of the MDQ at a fair market price for the Delivery Point. If Buyer makes such request for alternative pricing and Seller fails to deliver Gas at the alternative pricing requested by Buyer or Buyer and Seller are unable to agree to a fair market price for such deliveries, Seller's failure shall not be excused as a result of failure of the Assets and Buyer may immediately terminate this Transaction Confirmation.

D. Asset Management Fee

Subject to the Gas Supply Requirements set forth above, Seller shall have the right to optimize the Assets for its own account. In exchange for such right, during the Term, Seller shall make a payment to Buyer in an amount equal to _____ per day calculated on the TransCanada Waddington Delivery Point released to Seller in a calendar month (the "Asset Management Fee"). The Asset Management Fee shall accrue Monthly on the first day of the Month during the Term. This payment shall be reflected as a credit to Buyer in Seller's invoice for the applicable Month. For the avoidance of doubt, the parties hereby agree Seller shall not be responsible for payment of the Asset Management Fee for any period following Buyer's exercise of the Termination Option set forth in Special Condition B.4 of this Transaction Confirmation and AMA or any Day following the termination of transactions pursuant to Section 10 of the Base Contract.

E. Credit Provisions

Collateral Requirement. The "Collateral Requirement" for Seller means the Exposure (as defined below), minus the sum of (i) the amount of cash previously transferred by Seller to Buyer, (ii) the amount of cash held by Buyer as posted collateral as the result of drawing under any Letter of Credit maintained by Seller for the benefit of Buyer, and (iii) the undrawn value of each such Letter of Credit; provided, however, that the Collateral Requirement for Seller will be deemed to be zero (0) if (i) Seller has a Credit Rating of at least BBB- from S&P and/or Baa3 from Moody's, and (ii) no Event of Default with respect to Seller has occurred and is continuing. Seller may provide the Collateral Requirement in the form of either (a) a guaranty from a Credit Support Provider rated at least BBB-

by S&P and/or Baa3 by Moody's, (b) cash, or (c) a Letter of Credit. The Collateral Requirement for Buyer means zero (0).

"Exposure" shall be calculated as the sum of:

- (i) all amounts that have been invoiced, but not yet paid for the transactions under this Transaction Confirmation; plus
- (ii) all amounts that have been accrued, but not yet invoiced for the transactions under this Transaction Confirmation; plus
- (iii) the mark to market amount for each Day remaining in the term for each transaction under this Transaction Confirmation;

F. Import/Export Reporting

Any import/export reporting requirements applicable to the quantities of Gas delivered to Buyer hereunder, whether of the CER, the U.S. Department of Energy Office of Fossil Energy, the U.S. Customs Service, or any other regulatory body having jurisdiction over the volumes, are the responsibility of Asset Manager.

G. Changes in Law

If the CER, FERC, CFTC, or other applicable regulatory body shall implement any change in law, rule, regulation, tariff or practice that is binding on Seller or Buyer and materially and adversely affects such party's ability to perform its obligations hereunder, either party shall provide Notice of such event to the other party and the parties shall negotiate in good faith an amendment to this Transaction Confirmation or take other appropriate action the effect of which is to restore each party, as closely as possible, to its same position as prior to such change. If, within sixty (60) Days after receiving Notice from a party regarding the implementation of such change, the parties are unable to agree on such amendment or such other appropriate action, each party will continue to perform its obligations hereunder to the maximum extent possible under the applicable law, rule, regulation, tariff or practice, taking all reasonable steps to mitigate the effect of such change on each other or either party may terminate this Transaction Confirmation and AMA upon two Days' Notice to the other party.

H. Base Contract.

This Transaction Confirmation and AMA is entered into pursuant to and is governed by the terms and conditions of the Base Contract and shall form a single integrated agreement with the Base Contract. Notwithstanding that the release of the Released Capacity is not itself a transaction for the purchase, sale, or exchange of Gas, the provisions of the Base Contract (including, but not limited to, provisions relating to limitation of liability, indemnity, confidentiality, billing, netting of payments, set-off, notice, assignment, dispute resolution, governing law, interpretation, and other miscellaneous provisions found in Section 14 of the Base Contract) are, except to the extent of any inconsistency or conflict with the provisions of this AMA, incorporated herein by reference and will apply to govern the rights and obligations of the parties in respect of the release, *mutatis mutandis*. For avoidance of any doubt, all amounts payable under this AMA may be netted against any other amounts due (or past due) and owing under the Base Contract. In the event of any conflict or inconsistency between the provisions of the Base Contract and the provisions of this AMA, the provisions of this AMA shall prevail and be applied to the extent of the conflict or inconsistency. All capitalized terms that are used in this AMA but not defined herein shall have the meanings given to such terms in the Base Contract.


I. No Agency/Fiduciary Relationship, Joint Venture or Partnership.

Each of Seller and Buyer hereby acknowledges and agrees that the other party is not acting, under this AMA, as an agent, fiduciary, or financial investment or commodity trading advisor to it and that this AMA shall not create any joint venture, partnership, or other fiduciary relationship between them.

J. Entire Agreement.

This Transaction Confirmation and AMA and the Base Contract, together, constitute the entire agreement between the parties regarding the asset management arrangement with respect to the Asset, and supersedes and replaces any prior and contemporaneous communications, understandings, and agreements between Seller and Buyer related to such subject matter, whether written or verbal, express or implied. No modification, amendment, supplementation, or alteration of the terms and provisions of this AMA shall be or become effective except by written amendment executed by the duly authorized representatives of both parties to this AMA.

Seller: Castleton Commodities Merchant Trading L.P.
By: Castleton Commodities Trading GP LLC
Its General Partner

By: 
Name: Robert Ruckman
Title: Authorized Signatory
Date: September 7, 2022

Buyer: Niagara Mohawk Power Corporation d/b/a National Grid

By: _____
Name: James G. Holodak, Jr.
Title: Vice President
Date: _____

DocuSigned by:


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