

Transaction Confirmation
Gas Supply Services Agreement
between Puget Sound Energy, Inc. and Puget LNG, LLC

THIS TRANSACTION CONFIRMATION (this “Gas Supply Services Agreement”) is made and entered into as of the 1st day of February, 2021 by and between Puget Sound Energy, Inc., a Washington corporation having a business address at 335 110th Ave. NE Street, Bellevue, WA 98004-9734 (“PSE”) and Puget LNG, LLC, a Washington limited liability company having a business address at 335 110th Ave. NE Street, Bellevue, WA 98004-9734 (“PLNG”), PSE and PLNG shall be referred to herein individually as a “Party” and collectively as the “Parties”.

Recitals

WHEREAS, PSE and PLNG are parties to that NAESB Base Contract for Sale and Purchase of Natural Gas dated ~~December 3, 2020~~ (“NAESB Base Contract”);
February 1, 2021

WHEREAS, PLNG and PSE are joint owners of the Tacoma LNG facility located at the Port of Tacoma, Washington;

WHEREAS, PSE is a regulated natural gas utility, subject to the jurisdiction of the Washington Utilities and Transportation Commission (“WUTC”);

WHEREAS PLNG seeks to obtain gas supply services to optimize its utilization of its share of the Tacoma LNG facility;

WHEREAS, PSE has determined there are pipeline utilization and other efficiency advantages to its gas distribution system from providing gas supply services to PLNG at the Tacoma LNG facility;

WHEREAS, PSE and PLNG have determined that having one Party serve as the exclusive provider of natural gas supply to the Tacoma LNG facility will provide efficiencies that support compliance with the Puget Sound Clean Air Agency (PSCAA) air permit; and

WHEREAS, this Gas Supply Services Agreement is intended to address all charges from PSE to PLNG related to or reflected in gas supply and transportation costs upstream of PSE’s gas system, generally referred to as PSE’s gas supply portfolio, and having an impact on PSE’s LNG storage inventory valuation.

NOW THEREFORE, PSE agrees to sell and PLNG agrees to buy gas supply services as described herein.

Article I. Form of Agreement

1.1 This Gas Supply Services Agreement is a companion agreement to the NAESB Base Agreement. Terms not otherwise defined in this Gas Supply Services Agreement will have the same definitions as are provided in the NAESB Base Agreement.

1.2 This Gas Supply Services Agreement is the sole transaction confirmation emanating from the NAESB Base Agreement between the Parties. To the extent that provisions of this Gas Supply Services Agreement differ from provisions of the NAESB Base Agreement, the provisions in this Gas Supply Services Agreement will control.

1.3 A verified copy of this Gas Supply Services Agreement is required to be filed with the WUTC under the Affiliated Interest Contracts or arrangements rules found at WAC 480-90-245, prior to its Effective Date.

Article II. Transaction Confirmation Details

2.1 This Gas Supply Services Agreement is a transaction confirmation for the volumes of natural gas sold by PSE to PLNG under the Default Gas Pricing mechanism provided in Article VII and under the Alternative Gas Pricing mechanism provided in Article VIII, subject to the further documentation required by Section 2.2 for Article VIII sales.

2.2 The volume, price and term election for sales of natural gas by PSE to PLNG under the Alternative Gas Pricing mechanism provided in Article VIII shall be documented on a numbered exhibit, in the form included in Attachment A hereto. An Alternative Gas Pricing exhibit shall not be treated as an amendment to this Gas Supply Services Agreement nor shall such Alternative Gas Pricing exhibit be filed with the WUTC.

2.3 PLNG shall not assign this Gas Supply Services Agreement to a non-affiliated entity without: (a) the prior written consent of PSE; and (b) the prior written commitment of the non-affiliated buyer to retain PSE as its sole LNG supplier, and any assignment attempted without such prior written consent and commitment will be void and of no legal effect.

Article III. Term

3.1 The Effective Date of this Gas Supply Services Agreement shall be the first day of the month during which actual LNG production commences at the Tacoma LNG facility; provided however that start-up testing does not constitute actual LNG production.

3.2 The Term of this Gas Supply Services Agreement shall begin on the Effective Date and will end on the fifth (5th) anniversary of the Effective Date (the "Term"), unless it is extended by a written amendment to this Gas Supply Services Agreement that is executed by both Parties.

3.3 The Term of this Gas Supply Services Agreement may be extended for an additional five (5) years by written mutual agreement of both Parties. The Parties may mutually extend the Term of this Gas Supply Services Agreement up to four (4) times. An extension of the Term of this Gas Supply Services Agreement pursuant to this Section 3.3 need not be filed with the WUTC.

Article IV. Gas Supply Services:

4.1 PSE shall sell and deliver to PLNG's account and PLNG shall purchase and accept up to twenty-one thousand four hundred dekatherms per day (21,400 Dth/d) of natural gas ("Maximum Sales Volume"), subject to the procedures, pricing terms and charges outlined herein.

4.2 Since the intent of this Gas Supply Services Agreement is to provide sales up to the maximum inlet of the Tacoma LNG Plant and that maximum inlet value cannot be determined until the completion of start-up testing of the facility, the Maximum Sales Volume set forth in Section 4.1 may be revised as determined and mutually agreed in writing by PLNG and PSE, based on actual performance of the Tacoma LNG facility, after start-up testing. Such revision to the Maximum Sales Volume by mutual written agreement of PLNG and PSE need not be filed with the WUTC.

4.3 In order to comply with the PSCAA air permit for the Tacoma LNG facility, PSE shall purchase all natural gas supplied to PLNG under the NAESB Base Agreement and this Gas Supply Services Agreement at the Station 2 or Huntingdon trading hubs located in British Columbia.

4.4 PSE shall obtain and hold firm transportation on Northwest Pipeline from the Sumas receipt point to the Frederickson gate station (Delivery Point #247 on Northwest Pipeline) to facilitate the sale of natural gas by PSE to PLNG under the NAESB Base Agreement and this Gas Supply Services Agreement.

a. PLNG shall pay the monthly Pipeline Demand Charge Reimbursement provided in Section 9.2 as compensation to PSE for such Sumas to Frederickson transportation capacity.

b. PSE may in its sole discretion, acquire supplies to effectuate the sale of natural gas to PLNG under this Gas Supply Services Agreement at Station 2 in British Columbia and utilize its Westcoast Energy capacity to transport the gas supply to the Huntingdon/Sumas interconnect with Northwest Pipeline. PLNG shall not provide additional compensation to PSE for supplies transported on PSE's Westcoast Energy Inc. capacity.

4.5 Title to the natural gas will transfer from PSE to PLNG at the time custody of the natural gas is transferred from Northwest Pipeline to PSE at the Frederickson gate station.

4.6 In the event the Tacoma LNG facility becomes unavailable for liquefaction after the Timely Nomination Cycle, due to an unplanned outage or to comply with PSCAA air permit requirements, after PLNG has committed to purchase and liquefy natural gas for the day, PSE shall be entitled to additional compensation at the Voided Sale fee set forth in Section 9.1.

4.7 If the Tacoma LNG facility becomes unavailable for liquefaction due to PSE's request for the Tacoma LNG facility to transition to either the standby mode or the vaporization mode (both instances of no liquefaction activity) after PLNG has committed to purchase and liquefy natural gas for the day, pursuant to Section 5.3, or has planned for the purchase and liquefaction over a series of days, pursuant to Section 5.2, then: (i) the sale from PSE to PLNG shall not be treated as voided; (ii) PLNG shall be entitled to a Keep Whole Transfer, as further defined in Section 4.8, unless the committed or planned liquefaction can be rescheduled to other days, acceptable to PLNG, within the same calendar month; and (iii) PLNG shall pay no additional compensation to PSE.

4.8 Keep Whole Transfers of LNG shall be made by PSE to PLNG to compensate PLNG for the committed or planned purchase and liquefaction of natural gas that was interrupted by PSE's request for the Tacoma LNG facility to transition to the standby mode or the vaporization mode.

a. Under a Keep Whole Transfer condition, PSE shall bill PLNG as if the committed or planned sales had occurred.

b. PSE shall retain title to the gas that had been intended to be sold pursuant to Section 4.8(a) and PSE shall transfer an equivalent volume of LNG, (taking into account average liquefaction losses) from PSE's account to PLNG's account in the LNG tank at the Tacoma LNG facility.

c. PLNG shall not be entitled to a Keep Whole Transfer for a natural gas sale that is voided pursuant to Section 4.6.

d. Once a standby or vaporization event is declared by PSE for a given gas day, PSE shall be obligated to make Keep Whole Transfers of LNG to PLNG for each subsequent gas day equivalent to the planned purchases by PLNG unless otherwise agreed in conjunction with the Asset Manager and/or Operator of the Tacoma LNG facility by both PLNG and PSE.

e. PSE shall notify PLNG one day prior to the gas day during which the Tacoma LNG facility is available to return to liquefaction mode. PSE's obligation to make Keep Whole Transfers of LNG to PLNG shall terminate on the gas day the Tacoma LNG Facility is available for liquefaction.

f. PLNG is not entitled to that portion of an otherwise qualifying Keep Whole Transfer that would increase PLNG's inventory above its volume of LNG storage capacity at the Tacoma LNG facility.

g. PSE is not entitled to a liquefaction fee or any other fee, surcharge or mark-up for natural gas sold to PLNG pursuant to a Keep Whole Transfer.

4.9 PLNG shall contract separately with PSE for Rate Schedule 87T transportation service for delivery of its natural gas from the Frederickson gate station to the Tacoma LNG facility.

4.10 PLNG shall be liable for all applicable Washington State or local taxes applicable to the gas sales under this Gas Supply Services Agreement. PLNG certifies that all gas volumes purchased under this Gas Supply Services Agreement constitute a raw material for the industrial process of producing LNG. To the extent that the produced LNG is not subsequently sold for utilization as transportation fuel PLNG shall report the appropriate volumes to PSE, if necessary for calculation of any applicable taxes.

4.11 PLNG shall reimburse PSE for allocated labor and overheads associated with supply acquisition, nominations, energy risk management, energy accounting and Tacoma LNG facility compliance monitoring and reporting under a separate Joint Ownership Agreement between the Parties.

4.12 PSE shall provide all required documentation and reporting to the PSCAA regarding the origin, source and flows of natural gas associated with gas supplies provided by PSE to PLNG pursuant to the NAESB Base Contract and this Gas Supply Services Agreement.

4.13 To avoid the unnecessary cycling of and wear on equipment and to provide for efficient operation of the Tacoma LNG facility, PLNG shall be allowed to borrow a defined volume of LNG inventory from PSE's LNG inventory account and repay that same volume into PSE's LNG inventory account at a later time. Such borrowing and repayment of volumes of LNG inventory will occur within the LNG tank at the Tacoma LNG facility and shall be referred to herein as a "Deferred LNG Inventory Exchange Out or In", respectively.

a. A Deferred LNG Inventory Exchange Out is subject to written approval by an authorized PSE Gas Trader, such approval shall not be unreasonably withheld. Such written authorization shall be provided in a numbered exhibit in the form of Attachment B to this Gas Supply Services Agreement.

b. The LNG volumes repaid by PLNG to PSE pursuant to a Deferred LNG Inventory Exchange In shall be documented on a Deferred LNG Inventory Exchange confirmation, in the form included as Attachment B hereto, as a numbered Exhibit to this Gas Supply Services Agreement. A Deferred LNG Inventory Exchange Out or In exhibit shall not be treated as an amendment to this Gas Supply Services Agreement nor shall such Deferred LNG Inventory Exchange exhibit be filed with the WUTC.

c. No Deferred LNG Inventory Exchange Out shall be allowed during the period from November through February, except upon written authorization from the PSE Director of Energy Supply Operations. Such written authorization shall be provided in a numbered exhibit in the form of Attachment B to this Transaction Agreement.

d. PSE shall transfer to PLNG's account any LNG volumes borrowed by PLNG from PSE (Deferred LNG Inventory Exchange-Out) within the LNG tank at the Tacoma LNG facility and PLNG shall transfer to PSE's account any LNG volumes repaid by PLNG to PSE (Deferred LNG Inventory Exchange In) within the tank at the Tacoma LNG facility.

e. PSE shall keep records of the volumes of LNG borrowed and repaid by PLNG pursuant to Deferred LNG Inventory Exchanges on a monthly basis.

f. To prevent Deferred LNG Inventory Exchange activity from altering the cost of PSE's LNG inventory:

i. PSE shall treat LNG volumes borrowed by PLNG pursuant to a Deferred LNG Inventory Exchange Out as LNG volumes receivable on its books and value the borrowed LNG volumes at the average cost of PSE's LNG inventory in the tank at the Tacoma LNG facility in the month PLNG borrowed the LNG volumes;

ii. PLNG shall treat LNG volumes borrowed by PLNG from PSE pursuant to a Deferred LNG Inventory Exchange Out as an in-kind obligation to PSE and as LNG volumes payable on PLNG's books; and

iii. PLNG shall value LNG inventory resulting from its borrowing from PSE pursuant to a Deferred LNG Inventory Exchange Out at PLNG's estimated replacement cost or other acceptable methodology, as it solely determines.

g. PLNG shall repay and return all LNG volumes borrowed by PLNG pursuant to a Deferred LNG Inventory Exchange In to PSE's LNG inventory account by October 31 of each year.

h. PLNG shall be obligated to ensure that sufficient days of liquefaction capacity are available to repay all volumes of borrowed LNG to PSE before November 1 of each year. PLNG shall include the payback of Deferred LNG Inventory Exchange volumes in the planning process referenced in Article V.

i. PLNG shall pay to PSE a Deferred LNG Inventory Exchange fee, as provided in Section 9.3(b).

Article V. Planning

5.1 PLNG and PSE shall participate in good faith in an annual process with the Asset Manager and/or Operator of the Tacoma LNG facility to estimate the monthly natural gas sales volumes needed by PLNG and an operational forecast for the Tacoma LNG facility for the upcoming twelve (12) months, giving consideration to both PSE gas portfolio needs, PLNG customer demands, gas supply availability, gas market price forecasts, planned outages at the Tacoma LNG facility and other considerations as appropriate.

5.2 PLNG and PSE shall participate in good faith in a monthly process with the Asset Manager and/or Operator of the Tacoma LNG facility to refine for the next subsequent month, the monthly natural gas sales volumes and operational forecasts developed pursuant to Section 5.1.

5.3 PLNG and PSE shall participate in good faith in a daily process to confirm and commit to natural gas sales volumes required for the next gas day. Such process may consist of a daily call with the Asset Manager and/or Operator of the Tacoma LNG facility to confirm the plan of operation and necessary natural gas sales volumes, LNG volumes for delivery or vaporization or such other measures as deemed appropriate by the Parties.

5.4 PLNG and PSE shall work collaboratively to ensure each Party has the opportunity to deliver to the Tacoma LNG facility the gas volumes it needs to achieve its individual gas supply management objectives and support the efficient utilization of the Tacoma LNG facility.

Article VI. Nomination for Supply and Transport

6.1 PLNG shall notify PSE of the volume of gas it desires to have delivered to its account at the Fredrickson gate station at least three (3) hours prior to the Timely Nomination Deadline on Northwest Pipeline, in accordance with the scheduling protocols utilized by the PSE front office.

6.2 PSE shall consider the gas sold to PLNG as first through the meter at the Frederickson gate station and treat volumes committed for sale to PLNG as delivered to PLNG's Rate Schedule 87T transportation agreement on the PSE gas system.

6.3 PSE will track an imbalance for PLNG on the PSE gas system for the difference between volumes delivered into the PSE gas system and the volumes delivered into the Tacoma LNG facility for each day, as adjusted for Boil Off Gas ("BOG") and other appropriate activity. This imbalance will be administered under the PSE/PLNG Rate Schedule 87T contract.

6.4 Gas will be deemed delivered into the Tacoma LNG facility each day in the following order of priority:

- a. PSE nominated gas volume for the current day;
- b. PLNG BOG balance from the prior day;
- b. PLNG gas system imbalance from the prior day;
- c. PLNG Alternative Gas Price gas nominated volume for the current day, with longest term Alternative Gas Price transaction scheduled first; and
- d. PLNG Default Gas Price gas nominated volume for the current day.

Article VII. Default Gas Price

7.1 Unless PLNG elects to use an Alternative Gas Price pursuant to Article VIII, the Default Gas Price shall apply to volumes of gas purchased by PLNG from PSE.

- a. The Default Gas Price shall apply to all volumes, except those volumes covered by an Alternative Gas Price Exhibit.
- b. The Parties will treat a PLNG request for a multiple month volume commitment as a Default Gas Price transaction under this Article VII, provided PLNG intends for the volume for each month to be priced at the monthly index for the relevant month of the multiple month request.

c. The Parties will treat a PLNG request for a multiple month volume commitment at a seasonal index average as an Alternative Gas Price transaction under Article VIII.

7.2 The Default Gas Price shall be determined in accordance with the following formula: Default Gas Price = Index + Firming Premium + Pipeline Variable Charge + Monetary Allowance for Pipeline Fuel + Balancing Fee, where the values in the formula are as follows:

a. Index means the Sumas First Of Month (“FOM”) price per Dth as published in “Platts Inside FERC”; in the event the Sumas FOM is not published, the Index will be the average of the daily mid-point prices per Dth for Sumas for the month as published in “Natural Gas Intelligence”.

b. Firming Premium means the average premium above FOM Index determined by PSE based on average historical premiums paid, equal to a fixed fee of [REDACTED] per Dth applied year-round.

c. Pipeline Variable Charge means the Northwest Pipeline Tariff rate for TF-1 Large Customer: Commodity Charge plus the FERC approved ACA Fee, per Dth, as they may each change from time to time.

d. Monetary Allowance for Pipeline Fuel means the Northwest Pipeline Tariff TF-1 fuel reimbursement percentage (%), as it may change from time to time, multiplied by Index and rounded up to the nearest one-tenth of a cent, per Dth.

e. Balancing Fee means a fixed fee of [REDACTED] per Dth, regardless of actual balancing. The Balancing Fee shall compensate PSE for any and all imbalances between scheduled volumes of Default Gas Price gas sold by PSE to PLNG and actual volumes of Default Gas Price gas received for PLNG’s account at the Tacoma LNG facility.

Article VIII. Alternative Gas Price

8.1 The Alternative Gas Price is applicable to transactions for which PLNG elects to use an Alternative Gas Price and may include both fixed price volumes and multiple month Index strip volumes

a. Alternative Gas Price transactions will be documented on numbered Alternative Gas Price exhibits in the form of Attachment A to this Gas Supply Services Agreement. An Alternative Gas Price exhibit shall be limited to the volume and time period set forth in the Alternative Gas Price exhibit and shall not be treated as an amendment to this Gas Supply Services Agreement nor filed with the WUTC.

b. The Alternative Gas Price shall be determined in accordance with the following formula: Alternative Gas Price = Accepted Alternative Gas Price Quote + Pipeline Variable Charge + Monetary Allowance for Pipeline Fuel + Balancing Fee, where the values in the formula are as follows:

i. Accepted Alternative Gas Price Quote means the Alternative Gas Price Quote agreed upon by PSE and PLNG and included in the applicable numbered Alternative Gas Price Exhibit.

ii. Pipeline Variable Charge means the Northwest Pipeline Tariff rate for TF-1 Large Customer: Commodity Charge plus the FERC approved ACA Fee, per Dth, as they may each change from time to time.

iii. Monetary Allowance for Pipeline Fuel means the Northwest Pipeline Tariff TF-1 fuel reimbursement percentage (%), as it may change from time to time, multiplied by Index (as defined in Section 7.2(a)) and rounded up to the nearest one-tenth of a cent, per Dth.

iv. Balancing Fee means a fixed fee of [REDACTED] per Dth, regardless of actual balancing. The Balancing Fee shall compensate PSE for any and all imbalances between scheduled volumes of Alternative Gas Price gas sold by PSE to PLNG and actual volumes of Alternative Gas Price gas received for PLNG's account at the Tacoma LNG facility.

c. PLNG will request an Alternative Gas Price for a defined daily volume in Dth per day for a specified term in advance of the start of the requested term of the Alternative Gas Price transaction.

d. PSE will timely provide an Alternative Gas Price Quote in response to the request for an Alternative Gas Price transaction from PLNG,

e. PLNG will timely accept or reject an Alternative Gas Price Quote from PSE, and,

f. If PLNG accepts an Alternative Gas Price Quote, PSE will timely prepare a numbered Alternative Gas Price exhibit, indicating Daily Volume, Price and Term.

g. An Alternative Gas Price Exhibit must be signed by both PSE and PLNG to be effective.

h. Volumes under Alternative Gas Price transactions shall be considered delivered first through the meter of PLNG volumes (i.e., before Default Price volumes) on each day of the term of the Alternative Gas Price transaction(s). As among and between volumes under Alternative Gas Price transactions, priority for delivery shall be based on term starting with the longest term Alternative Gas Price transaction volumes deemed delivered first and progressing through to the shortest term Alternative Gas Price transaction. Should two or more Alternative Gas Price transactions of the same duration be in effect, priority for delivery shall be given to the transaction with the earliest commencement date.

Article IX. Other Charges

9.1 Voided Sale Fee

a. For volumes under Default Pricing: If PLNG is not able to have some or all of the Default Gas Price volumes delivered to the Tacoma LNG facility, during the applicable month, due to an unplanned outage or other unavailability of the Tacoma LNG facility or due to PSCAA air permit requirements and the gas sale from PSE to PLNG is voided, PLNG shall pay a voided sale fee of [REDACTED] per Dth multiplied by the previously scheduled but now voided Default Gas Price volume. This voided sale fee shall be PSE's sole compensation for any costs associated with disposing of or repurposing the Default Gas Price volumes that were intended for sale to PLNG.

b. For volumes under Alternative Pricing: If PLNG is not able to have some or all of its Alternative Gas Price volumes delivered to the Tacoma LNG facility, during the applicable month, due to an unplanned outage or other unavailability of the Tacoma LNG facility or due to PSCAA air permit requirements and the sale from PSE to PLNG is voided, PLNG shall pay a voided sale fee determined as: [REDACTED] [REDACTED] --but not less than zero multiplied by the previously scheduled but now voided Alternative Gas Price volume. This voided sale fee shall be PSE's sole compensation for any costs associated with disposing of or repurposing the Alternative Gas Price volumes that were intended for sale to PLNG.

c. The voided sale fee shall not apply if the sale of Default Gas Price volumes or Alternative Gas Price volumes is voided due to PSE's election to put the Tacoma LNG facility into stand-by mode or to prepare the Tacoma LNG facility for vaporization, when such election is announced prior to the Timely Nomination deadline.

9.2 Pipeline Demand Charge Reimbursement. PLNG shall reimburse PSE each month for the Northwest Pipeline TF-1 Firm Transportation used to transport the volumes PSE sells to PLNG under this Gas Supply Services Agreement as if PLNG held the capacity in its name

a. Beginning November 1, 2021, PLNG shall reimburse PSE for the volume in Dth per day as determined in accordance with Sections 4.1 and 4.2 above (currently 21,400 Dth per day), less an amount in Dth per day equal to PSE's portion (currently 10%) of the Liquefaction facilities as referenced in the Joint Ownership Agreement between the Parties, (initially 19,300 Dth per day) - regardless of actual use, at the rate in the Northwest Pipeline FERC Gas Tariff for the TF-1 Large Customer Demand Charge, including any surcharges applied by Northwest Pipeline.

b. In November of each year, in addition to the amount due under 9.2(a), PLNG shall pay to PSE a Pipeline Demand Charge Annual True-up Amount determined as follows: the Northwest Pipeline FERC Gas Tariff for the TF-1 Large Customer Demand Charge, as applicable during the period, times total sales under this Gas Supply Services Agreement- from the prior November 1st through October 31st of the current year- less: the demand charges pursuant to Section 9.2(a) paid in the prior November 1st through October 31st of the current year; but not less than zero).

c. In the event Northwest Pipeline is required by the Federal Energy Regulatory Commission to refund amounts it received for demand charges under rate schedule TF-1 Firm Transportation during the term of this Gas Supply Services Agreement, PSE shall provide to PLNG an amount of any refunds PSE receives from Northwest Pipeline equal to the pro rata share of demand charges paid by PLNG pursuant to Section 9.2(a).

9.3 Deferred LNG Inventory Exchange Fee

a. PLNG shall compensate PSE for the loan of volumes of LNG inventory in the month when such loaned volumes are repaid by transfer into PSE's inventory account.

b. A Deferred LNG Inventory Exchange will be utilized to avoid the unnecessary cycling of equipment and to provide for efficient operation of the Tacoma LNG facility, which benefits both PSE and PLNG, and reduces PSE's allocation of BOG during the loan of inventory, therefore, PLNG shall pay PSE a fee for a Deferred Inventory Exchange of [REDACTED] per Dth (approximately equal to [REDACTED] per LNG gallon), regardless of the number of months over which the LNG is borrowed by PLNG.

c. PLNG shall pay PSE a Late Fee of [REDACTED] per Dth (approximately equal to [REDACTED] per LNG gallon) for any borrowed Deferred LNG Inventory Exchange volumes not repaid by November 1 of each year. PLNG's payment of such Late Fee shall not alleviate PLNG's obligation to repay any borrowed LNG volumes as soon as possible.

Article X. Monthly Invoice


10.1 PSE shall send a monthly invoice to PLNG that includes the sum of the following:

- a. the volume of Alternative Gas Price gas in Dth multiplied by the Alternative Gas Price, for each Alternative Price Exhibit in effect during the month; plus
- b. the volume of Default Gas Price gas in Dth multiplied by the Default Gas Price; plus
- c. the volume of Voided Sale gas in Dth multiplied by the Voided Sale Fee; plus
- d. the volume of Deferred LNG Inventory Exchange gas in Dth repaid in the month multiplied by the Deferred LNG Inventory Exchange Fee; plus

- e. the Pipeline Demand Charge Reimbursement and in the month of November of each year, the Pipeline Demand Charge Annual True-up Amount due under Section 9.2.b; plus
- f. any other amounts due under this Gas Supply Services Agreement.

Please confirm the foregoing correctly sets forth the terms of our agreement with respect to this Transaction by signing in the space below and returning a copy of the executed Confirmation.

Puget LNG, LLC

By: 

Name: Blake Littauer

Title: President

Puget Sound Energy, Inc.

By: *Ron Roberts*

Name: Ron Roberts

Title: VP, Energy Supply

ATTACHMENT A

Exhibit # _____, dated _____
to that Gas Supply Services Agreement,
dated February 1, 2021 between PSE and PLNG

Alternative Gas Price Election

PLNG elects to pay the Alternative Gas Price on the volume of
Alternative Gas Price gas during the Alternative Gas Price Term, as
defined herein.

Alternative Gas Price Volume: *(insert volume)* _____ Dth

(circle one): per day, per month, per year

Alternative Gas Price Term:

Effective from *(insert beginning date)* _____

through *(insert ending date)* _____

Accepted (when signed below) Alternative Gas Price- (replacing Index plus
Seasonal Firming Premium in Default Price formula):

Fixed Price: *(insert Fixed Price)* _____ \$US per Dth

Or

Formula Price: *(insert formula)* _____
_____ \$US per Dth

Agreed By: _____ for PSE

Agreed By: _____ for PLNG

(Send copy to Energy Risk Control)

ATTACHMENT B

**Exhibit # _____, dated _____
to that Gas Supply Services Agreement,
dated February 1, 2021 between PSE and PLNG**

Deferred LNG Inventory Exchange Confirmation

Out (Loan to PLNG): PSE and PLNG confirm the transfer of *(insert volumes)*
_____ Dth or approximately _____ gallons of LNG from PSE
account to PLNG account effective *(insert date)* _____.

OR

In (Repayment from PLNG): PSE and PLNG confirm the transfer of *(insert
volume)* _____ Dth or approximately _____ gallons of LNG from
PLNG account to PSE account effective *(insert date)* _____.

Agreed By: _____ for PSE

Agreed By: _____ for PLNG

Countersign by Director, Energy Supply Operations for Loan made between
November 1 and February 28: _____ for PSE

(send copy to Energy Risk Control)