



3000 Spenard Road
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

May 15, 2024

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Subject: Tariff Advice Letter 345-4 Annual Revision to GCA

Dear Commissioners:

The tariff filing described below is transmitted to you for filing in compliance with the Alaska Public Utilities Regulatory Act and Sections 3 AAC 48.200 – 3 AAC 48.430 of the Alaska Administrative Code:

<u>Tariff Sheet</u> <u>Number</u>	<u>Revision</u>	<u>Cancels Sheet</u> <u>Number</u>	<u>Revision</u>	<u>Schedule or Rule Number</u>
287	First	287	Original	Determination of Gas Cost Adjustment

Introduction and Request for Waiver

ENSTAR Natural Gas Company, LLC (“ENSTAR”) proposes to revise its Gas Cost Adjustment (“GCA”) effective July 1, 2024 to June 30, 2025 (“GCA Period” or “2024-2025”).¹ This filing is the annual revision of the GCA as provided for in Section 708d(1) of ENSTAR’s Tariff.²

ENSTAR proposes to revise its GCA effective with the first billing cycle of July 2024. Placing this revision into effect will increase ENSTAR’s current GCA by \$0.4199 per Mcf (from \$8.6517 to \$9.0716 per Mcf).³ This GCA reflects ENSTAR’s estimated cost of gas for the latter six months of 2024 and the first six months of 2025, and is applied to all gas sales customers served under ENSTAR’s Tariff.⁴ ENSTAR plans to meet its customers’ GCA Period demand using a

¹ Alaska Pipeline Company (“APC”), not ENSTAR, is the party to all of the Gas Sale Agreements (“GSA”). The Commission regulates APC and ENSTAR as a single entity.

² Capitalized terms used but not defined herein have the meanings provided in ENSTAR’s Tariff or in the respective GSA.

³ Mcf is one thousand cubic feet. MMcf is 1,000 Mcf or 1 million cubic feet. Bcf is 1,000,000 Mcf or 1 billion cubic feet. Ccf is one hundred cubic feet.

⁴ ENSTAR had 153,474 Gas Sales Customers as of March 31, 2024.

combination of base supply GSAs, short-term supply contracts, and storage withdrawals. During the GCA Period, ENSTAR plans to continue seeking more gas supply volumes on the market.

ENSTAR requests a waiver of the 3 AAC 52.506(g)(1), (2), (5) and (7) requirements to provide historical supporting information with this GCA filing as that information has already been submitted to the Commission.⁵

Summary of Significant Changes

The 2023-2024 Weighted Average Cost of Gas ("WACOG") was \$8.6517 per Mcf. For the reasons illustrated below, the WACOG will increase by approximately \$0.4199 in the GCA Period, to \$9.0716 per Mcf. The primary reasons for this increase are as follows:

- **Increased reliance on gas withdrawals from storage.** ENSTAR anticipates increased reliance on gas withdrawals from storage in the GCA Period. The anticipated increased gas withdrawals of 2.3 Bcf result in an approximate \$20.7 million increase in gas cost over the 2023-2024 GCA period.⁶
- **Un-forecasted impacts to ENSTAR's Gas Cost Balancing Account.** This past winter, ENSTAR's service territory observed temperatures 10% colder than normal. During this cold weather period, ENSTAR withdrew an additional 1.7 Bcf to meet increased customer demand. Additionally, an investigation of ENSTAR's receipt point meter identified a meter discrepancy resulting in a billing correction from Hilcorp Alaska, LLC ("Hilcorp") for 415,774 Mcf of gas consumed by ENSTAR's customers.⁷ During the 2023-2024 GCA period, ENSTAR also purchased incremental interruptible gas under its gas supply agreement with Furie Operating Alaska, LLC ("Furie") for \$12.50 per Mcf. This additional gas was not included in the 2023-2024 GCA period. As of March 2024, the combined effect of these un-forecasted events resulted in a \$6.5 million under-collected balance in ENSTAR's Gas Cost Balancing Account.

ENSTAR estimates that all Gas Sales Customer categories (G1 through G4) will see an annualized 4.1% increase compared to the 2023-2024 GCA period. An average G1 Customer will see an increase of approximately \$4.90 on an average monthly bill.

Details on the changes in volume and gas cost are provided contract-by-contract below.

⁵ As required by Section 708g of its Tariff, ENSTAR files a report on the status of the Gas Cost Balance Account ("GCBA") 15 days after the end of each calendar year quarter which includes the historical supporting information required by 3 AAC 52.506(g).

⁶ Gas Withdrawn from Storage of \$43,499,000 (on attached Tariff Sheet 287 First Revision) compared to \$22,791,000 (on Tariff Sheet 221 53rd Revision approved by LO #2300190 in TA340-4).

⁷ 2024 First Quarter Gas Cost Balance Account Report, filed April 15, 2024, shows the billing correction on Hilcorp Alaska, LLC's January invoice to ENSTAR.

Approved Base Supply Contracts

Vision Resources Contract

The Amendment to the GSA between Vision Resources, LLC (“Vision”) and APC, (“Amended Vision GSA”) approved in LO# 2300180 dated June 3, 2023, provides for annual price and volume changes effective each April 1. The amendment reflects decreased volume commitments by the producer due to production challenges caused by uncertainties and shutdowns for maintenance. The changes for each Year are set out in Section 2 and 4, respectively, of the Amended Vision GSA.

The estimated Gas cost under the Vision GSA for the GCA Period is calculated as follows:

Vision Contract

	<u>Jul 24 - Mar 25</u>	<u>Apr 25 - Jun 25</u>	<u>Total</u>
Volumes (Mcf)	301,000	78,000	379,000
Price (\$/Mcf)	\$ 7.5200	\$ 7.6000	
Total Cost	\$ 2,264,000	\$ 592,000	\$ 2,856,000
Weighted Cost (\$/Mcf)			\$ 7.5365
Estimated Purchases (Mcf) - July 1, 2024 to June 30, 2025			<u>379,000</u>
Estimated Cost of Gas - July 1, 2024 to June 30, 2025			<u>\$ 2,856,000</u>

Hilcorp APL-14 Contract

Firm Gas, Daily Call Option Gas, and Needle Peak Call Option Gas purchased under the Amended and Restated APL-14 Gas Sale and Purchase Agreement have a Base Price of \$7.98 per Mcf in the fifth Contract Year.⁸ This sales price is subject to an annual adjustment ranging between negative 1% and positive 1.5% each Contract Year based on the performance of three defined price indexes published by the U.S. Bureau of Labor Statistics. Because the GCA Period extends over two Contract Years, ENSTAR had to estimate the gas price under the GSA for the period from April 1 - June 30, 2025. ENSTAR used a conservative estimate of a 1.5% increase in gas cost due to the ongoing uncertainty in current markets caused by inflation. Assuming this maximum price increase, the gas price in the 2025-2026 contract year would be \$8.10 per Mcf.

To secure additional firm gas to meet its customer demand, ENSTAR has exercised the Turn-Up option for Contract Years 3 through 6 covering a period of April 1, 2022 through March 31, 2026. This option allows ENSTAR to increase the volume of firm gas by 3 Bcf for each impacted Contract Year from 25 Bcf to 28 Bcf.

⁸ Tariff Sheet 287 First Revision shows the price per Mcf as \$8.4209. This amount includes the \$2.356 million Adjusted Needle Peak Reservation Fee and a reimbursed transportation amount of \$8.401 million.

Additionally, ENSTAR agreed to the First Amendment to the Amended and Restated APL-14 Gas Sale and Purchase Agreement with Hilcorp Alaska, LLC (“Amended Hilcorp GSA”).⁹ The Amended Hilcorp GSA allows ENSTAR to purchase an additional 3.515 Bcf of New Demand Gas at a Base Price of \$8.97 per Mcf.

The APL-14 contract has a Needle Peak Reservation Fee of \$4 million per contract year, if ENSTAR exercises the Needle Peak Call Option. ENSTAR provided Formal Notice to exercise the Needle Peak Call Option under its Hilcorp APL-14 GSA, Section 2.3(C), for the 2024-2025 contract year. The Needle Peak Call Option is also included for the April 1 - June 30, 2025 period, as it is anticipated that such gas will be needed during the following year to cover peak demand. ENSTAR previously exercised a Turn-Up Option, which adjusted the Needle Peak Rate in order to not exceed APL-14’s Maximum Deliverability Rate. The Adjusted Needle Peak Reservation Fee is \$2.356 million for the full GCA Period as ENSTAR has already exercised a Turn-Up Option for the following contract year, 2024-2025. For the purpose of this GCA filing, ENSTAR has assumed the following System Supply purchases under the APL-14: Firm Gas purchases of 26.483 Bcf, 3.389 Bcf of Daily Call Option Gas, and 0.209 Bcf of Needle Peak Call Option Gas. ENSTAR estimates these volumes will be required to meet Customer demand under average weather conditions.

The estimated gas cost under the APL-14 contract for the GCA Period is calculated as follows:

APL-14 Hilcorp Contract

	<u>Jul 24 - Mar 25</u>	<u>Apr 25 - Jun 25</u>	<u>Needle Peak Reservation</u>	<u>Total</u>
Volumes (Mcf)	25,779,000	4,302,000		30,081,000
Average Price (\$/Mcf)	\$ 8.2300	\$ 8.3768		
Total Cost	\$ 212,162,000	\$ 36,037,000	\$ 2,356,200	\$ 250,555,200
Weighted Cost (\$/Mcf)				\$ 8.1416
Estimated Transportation Reimbursement				\$ 0.2793
Cost of Gas - July 1, 2024 to June 30, 2025 (\$/Mcf)				\$ 8.4209
Estimated Purchases (Mcf) - July 1, 2024 to June 30, 2025				30,081,000
Estimated Cost of Gas - July 1, 2024 to June 30, 2025				\$ 253,309,000

Hilcorp APL-14 Transportation Reimbursement Calculation

Kenai Beluga Pipeline (“KBPL”) transport charges will be applied to 76.34% of the System Supply volumes purchased from July 2024 through June 2025. ENSTAR estimated the 76.34% based on actual contract purchases from Hilcorp that were allocated to System Supply and transported on KBPL for the period of April 2023 through March 2024. ENSTAR is not charged for KBPL Lost and Unaccounted For (“LAUF”) Gas and Fuel per the APL-14 GSA. Based on the

⁹ Approved by LO #2400086 in TA342-4 and TA343-4

current KBPL rates, total estimated transportation costs are \$8,401,000, or \$0.2793 per Mcf, as calculated below.

APL-14 Transportation Calculation

Total Hilcorp Contract Volumes (Mcf) Charged to System Supply April 2023-March 2024	28,372,452
APL-14 System Supply Volumes (Mcf) Charged to KBPL Transportation April 2023-March 2024	21,659,484
Percentage Applied for KBPL Transport (21,659,484/28,372,452)	<u>76.34%</u>
Estimated APL-14 System Supply Volumes (Mcf) Purchased July 2024-June 2025	30,081,000
Multiplied by KBPL Transport Percentage Above	76.34%
Total Estimated System Supply Volumes (Mcf) Charged KBPL Transportation	<u>22,964,000</u>
KBPL Rate of \$0.3639 per Mcf plus RCC at 0.536% (\$0.3639 * 1.00536)	<u>\$ 0.3659</u>
Total Estimated APL-14 Transport Cost on KBPL July 2024-June 2025	<u>\$ 8,401,000</u>
Total Estimated KBPL Transport Cost per Mcf (\$8,401,000/30,081,000)	<u>\$ 0.2793</u>

Furie Operating Alaska Contract

The Fifth Amendment to the GSA with Furie (“Amended Furie GSA”) provides for annual price and volume changes effective each April 1, with the changes for each Year set out in Sections 2 and 3, respectively. ENSTAR has assumed the following System Supply purchases under the Amended Furie GSA: Firm Gas purchases of 1.048 Bcf at \$7.81 per Mcf and 0.618 Bcf of Discretionary Gas at \$12.88 per Mcf. The Fifth Amendment required Furie to assess the results of the 2023 well work program and determine Annual Contract Quantity and Firm Daily Contract Quantities available for sale to ENSTAR for Contract Year 8 (April 1, 2025 through March 31, 2026). As of May 15, 2024, Furie has not committed to selling any gas volumes for that period. Therefore, April 2025 to June 2025 does not include any volumes under the Amended Furie GSA.

The estimated gas cost under the Amended Furie GSA for the GCA Period is calculated as follows:

Furie Contract

	<u>Jul 24 - Mar 25</u>	<u>Apr 24 - Jun 24</u>	<u>Total</u>
Volumes (Mcf)	1,666,000	-	1,666,000
Average Price (\$/Mcf)	\$ 9.6899	\$ -	
Total Cost	\$ 16,143,000	\$ -	\$ 16,143,000
Cost of Gas - July 1, 2024 to June 30, 2025 (\$/Mcf)			\$ 9.6899
Estimated Purchases (Mcf) - July 1, 2024 to June 30, 2025			<u>1,666,000</u>
Estimated Cost of Gas - July 1, 2024 to June 30, 2025			<u>\$ 16,143,000</u>

Current Average Cost of System Base Gas Supply

ENSTAR’s calculation of its 2024-2025 GCA Current Average Cost of System Base Gas

Supply as shown on the proposed First Revision of Sheet 287 (Line (1)(e)) is summarized below:

Total 2024-2025 Cost of Approved Base Gas Supply Contracts	\$272,308,000
Total 2024-2025 Base Gas Supply Estimated Purchases (Mcf)	<u>32,126,000</u>
2024-2025 Current Average Cost of System Base Gas Supply	<u>\$8.4762</u>

Additional Gas Supply Contracts

Short Term Supply Contracts

ENSTAR entered into an interruptible GSA with BlueCrest Alaska Operating, LLC (“BlueCrest”) effective September 1, 2024. ENSTAR has included 0.009 Bcf in its 2024-2025 GCA from the BlueCrest GSA under Short Term Supply Contracts. The BlueCrest GSA only contemplates interruptible associated gas volumes produced incidental to the company’s oil production.

The BlueCrest GSA allows ENSTAR to purchase gas at prices below the Current Average Cost of System Base Gas Supply. The volume and costs are allocated between System Supply and storage using the same methodology as used for all of ENSTAR’s other GSAs.

The estimated gas cost under the Short Term Supply Contracts for the GCA Period is calculated as follows:

Short Term Supply

	<u>BlueCrest Interruptible</u>		<u>Total</u>
	<u>Jul 24 - Aug 24</u>	<u>Sept 24 - June 25</u>	
Volumes (Mcf)	9,000	-	9,000
Price (\$/Mcf)	\$ 8.1500	\$ -	
Total Cost	\$ 73,000	\$ -	\$ 73,000
Cost of Gas - July 1, 2024 to June 30, 2025 (\$/Mcf)			\$ 8.1500
Estimated Purchases (Mcf) - July 1, 2024 to June 30, 2025			<u>9,000</u>
Estimated Cost of Gas - July 1, 2024 to June 30, 2025			<u>\$ 73,000</u>

Gas Withdrawn from Storage

The estimated cost of Gas Withdrawn from Storage has increased by \$0.3482 per Mcf over the previous year (from \$8.1894 per Mcf to \$8.5376 per Mcf).¹⁰ ENSTAR calculates the cost of Gas Withdrawn from Storage using an average unit cost method, calculated at the end of each

¹⁰ Gas Withdrawn from Storage of \$8.5376/Mcf (on attached Tariff Sheet 287 First Revision) compared to \$8.1894 (on Tariff Sheet 221 53rd Revision approved by LO #2300190 in TA340-4).

month prior to the month the gas is withdrawn from storage, plus withdrawal fees.¹¹

ENSTAR estimates the cost of Gas Withdrawn from Storage for the GCA Period as follows:

Estimated Cost of Gas – Withdrawals July 1, 2024 – June 30, 2025 (\$/Mcf)	\$ 8.5376
Estimated Gas Withdrawn From Storage (Mcf) July 1, 2024 – June 30, 2025	<u>5,095,000</u>
Estimated Cost of Withdrawn Gas July 1, 2024 – June 30, 2025	<u>\$43,499,000</u>

Storage Reservation and Capacity Fees

ENSTAR receives firm storage service and interruptible storage service from Cook Inlet Natural Gas Storage Alaska (“CINGSA”) and incurs storage-related costs including Reservation fees, Capacity fees, and Well Maintenance Surcharges, if and when applicable. Additionally, the Special Contract and Service Agreement for Gas Sales Service between ENSTAR and Homer Electric Association, Inc/Alaska Electric and Energy Cooperative, Inc. (“HEA”) assigns HEA’s rights under the FSS Agreement with CINGSA to ENSTAR for the Initial Term, effective April 1, 2024.¹² These fees and surcharges have been calculated using the current rates in CINGSA’s Tariff.¹³ The total fees and surcharges have been reduced by the non-firm revenue credits as set out in CINGSA’s Tariff Section 37. The actual, Non-firm Revenue Credits received for production periods April 2023 - March 2024 have been used for estimating the reduction to fees associated with storage service.

¹¹ Cost of Gas Withdrawn from Storage calculated based on ENSTAR’s Tariff section 708c(1)(c).

¹² Approved by LO #2400086 in TA342-4 and TA343-4

¹³ CINGSA’s Tariff Sections 35 and 38.

Storage Reservation and Capacity Fee Calculation

	<u>Volumes (Mcf)</u>	<u>Storage Rates/Mcf</u>	<u>RCC Rate</u>	<u>Fee Calculations</u>	<u>Total Fees</u>
<u>Reservations and Capacity Fees:</u>					
ENSTAR FSS Reservation Fee	107,475	\$ 4.9712		\$ 534,280	
ENSTAR FSS Capacity Fee	8,868,750	\$ 0.0678		\$ 601,301	
Monthly Reservation and Capacity Fees				\$ 1,135,581	
Months per Year				12	
Annual Reservation and Capacity Fees				\$ 13,626,972	
RCC Fees			3.3140%	\$ 451,598	
Total Reservation and Capacity Fees					\$ 14,079,000
<u>Well Maintenance Surcharge Fees:</u>					
ENSTAR FSS Surcharge Applied to CWQ	107,475	\$ 0.3093		\$ 33,242	
ENSTAR FSS Surcharge Applied to MSQ	8,868,750	\$ 0.0042		\$ 37,249	
Monthly Surcharge Fees				\$ 70,491	
Months per Year				12	
Annual Surcharge Fees				\$ 845,892	
RCC Fees			3.3140%	\$ 28,033	
Total Well Maintenance Surcharge Fees					\$ 874,000
<u>Non-Firm Revenue Credits:</u>					
Actual Non-Firm Revenue Credits Received for Production Periods April 2023-March 2024				\$ (340,403)	
RCC Fees			3.3140%	\$ (11,281)	
Total Non-Firm Revenue Credits					\$ (352,000)
Total Storage Reservation and Capacity Fee					\$ 14,601,000

ENSTAR entered into an Expansion Firm Storage Service Agreement with CINGSA for injection and withdrawal capacity, as well as storage quantity, when the CINGSA Expansion is available for service.¹⁴ ENSTAR has not included any Expansion FSS rates in this filing, as the Expansion Rates are not known for certain at this time.

Transportation Fees

Tariff Section 2301 (Sheet 287), “Determination of Gas Cost Adjustment,” identifies the cost to transport System Supply gas when ENSTAR ships on KBPL.¹⁵ Most of ENSTAR’s GSAs require it to pay for transportation on most of the purchased gas it transports on KBPL.¹⁶ All volumes shipped on KBPL are under the current postage stamp rate of \$0.3639 per Mcf plus the current RCC percentage of 0.536%. All storage withdrawals have been removed from the transportation volumes subject to the KBPL rate. KBPL transport charges will be applied to 95.61% of the System Supply volumes purchased from July 2024 through June 2025 excluding

¹⁴ The ENSTAR-CINGSA Expansion FSS Agreement was approved in LO# L2300415 in TA55-733.

¹⁵ Where ENSTAR is required to reimburse the Seller of the Gas for transportation costs, such as the reimbursement under the APL-14 contract for gas delivered from KBPL, the reimbursed transportation costs are included in the overall estimated cost of purchased gas for that contract.

¹⁶ Currently, APC will be the shipper on KBPL of gas purchased under the Vision, Furie and Short Term Supply GSAs when the gas is delivered by the Sellers to APC at a delivery point on KBPL as defined in the GSA, thus making APC responsible for the KBPL LAUF/Fuel retention as gas in kind.

volumes purchased under the APL-14 contract. The 95.61% is based on the total contract purchases allocated to System Supply and charged transportation during the period of April 2023 through March 2024 for which ENSTAR was the shipper of the gas. Total estimated System Supply volumes to be shipped directly by ENSTAR on KBPL for the GCA Period are 1,964,143 Mcf less KBPL LAUF and Fuel volumes of 6,285 Mcf, resulting in an estimated \$716,000 in transportation charges as shown below.

Calculated Transportation Volumes for APC as Shipper on KBPL

Total Contract Volumes (Mcf) Charged to System Supply April 2023-March 2024 (APC as Shipper)	2,804,385
System Supply Volumes (Mcf) Received on KBPL April 2023-March 2024	<u>2,681,255</u>
Percentage Applied for KBPL Transport (2,681,255/2,804,385)	<u>95.61%</u>
Estimated System Supply Volumes (Mcf) Purchased July 2024-June 2025	2,054,343
Multiplied by KBPL Transport Percentage Above	<u>95.61%</u>
Total Estimated System Supply Volumes (Mcf) Transported on KBPL before LAUF and Fuel	<u>1,964,143</u>

The KBPL transportation costs, along with LAUF and Fuel, are broken out by contract as follows:

Calculated Transportation By Contract

GSA	Estimated KBPL Transport Volumes for System Supply (Mcf)	KBPL Fuel and LAUF % ^A	Total KBPL Fuel and LAUF Volumes (Mcf) ^B	Estimated Volumes Delivered from KBPL (Mcf) ^C	Current KBPL Tariff Rate Plus RCC ^D	Estimated Transportation Cost ^E
Vision Resources	362,339	0.3200%	1,160	361,179	\$ 0.3659	\$ 132,000
Furie Operating Alaska	1,592,816	0.3200%	5,096	1,587,720	\$ 0.3659	\$ 581,000
BlueCrest Interruptible (Short Term Supply)	8,988	0.3200%	29	8,959	\$ 0.3659	\$ 3,000
Total	1,964,143		6,285	1,957,858		\$ 716,000

^A Current KBPL Fuel and LAUF combined percentage 0.32%. The LAUF rate is 0.26% and the Fuel rate is 0.06%, for a total of 0.32% (see KBPL Tariff Sheet 82.1).

^B Estimated KBPL Transport Volumes for System Supply (Mcf) multiplied by the current KBPL Fuel and LAUF percentage.

^C Estimated KBPL Transport Volumes for System Supply (Mcf) less Total KBPL Fuel and LAUF Volumes (Mcf).

^D Current KBPL Tariff Rate of \$0.3639 multiplied by 1 plus the current KBPL RCC Rate of 0.536%.

^E Estimated Volumes Delivered from KBPL (Mcf) multiplied by the Current KBPL Tariff Rate Plus RCC.

ENSTAR's 2024-2025 Gas Supply Forecast

ENSTAR's current gas supply forecast for the GCA Period is provided below:

<u>Volumes (Bcf)</u>	2nd Half of 2024	1st Half of 2025	Total
Vision Resources	0.222	0.157	0.379
Hilcorp APL-14 Firm	12.970	13.513	26.483
Hilcorp APL-14 Call	1.718	1.671	3.389
Hilcorp APL-14 Needle Peak	-	0.209	0.209
Furie Operating Alaska	1.313	0.353	1.666
BlueCrest Interruptible (Short Term Supply Contract)	0.009	-	0.009
Gas Withdrawn From Storage	1.469	3.626	5.095
Total Volume	17.701	19.529	37.230

Gas Cost Balance Account

ENSTAR’s Tariff (Section 708d) provides that the actual quarter-end balance of the GCBA for the quarter ending three months preceding the effective date will be used in the determination of the GCA. On March 31, 2024, the GCBA reflected an under-collection of \$6,485,663.¹⁷

Customer Notification

ENSTAR’s June bill insert will discuss the dollar amount of the gas cost presented in this filing. ENSTAR will print a message on all of its July bills for gas sales service reflecting that the commodity cost is \$0.90716 per Ccf. In addition, ENSTAR’s website will be updated with information concerning the change in gas cost, as well as an electronic reproduction of this tariff advice letter.

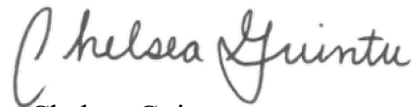
Pursuant to Order U-75-068(10) and its Tariff, ENSTAR is allowed to place the new gas cost adjustment in effect immediately, pending subsequent Commission review. However, ENSTAR is filing this change now to allow the Commission and its staff time to review the filing prior to its implementation date of July 1, 2024. The new GCA will be applied to all bills beginning with the first billing cycle in July 2024.

As noted above, ENSTAR requests a waiver of the 3 AAC 52.506(g)(1), (2), (5) and (7) requirement to submit historical supporting information with this GCA filing as the information has already been provided.

¹⁷ The supporting documentation for the activity in the GCBA for the quarter ended March 31, 2024 was filed on April 15, 2024 and supplemental documentation was filed on April 30, 2024.

Sincerely,

ENSTAR Natural Gas Company



Chelsea Guintu
Manager of Regulatory and Planning
Phone: 907-334-7620
Fax: 907-334-7657
Chelsea.Guintu@enstarnaturalgas.com

Enclosures:

2024-2025 GCA Worksheet
Weather and Storage Withdrawal Comparison
BlueCrest Interruptible GSA, including executed Transaction Confirmation
Formal Notice Requesting Needle Peak Option for 2024-2025
Formal Notice Requesting Turn-up Option Gas for 2025-2026
Contract Year 5 Sales Price for Gas Sales Agreement between Hilcorp and APC (APL-14
Amended and Restated)
Contract Year 7 Sales Price for Gas Sales Agreement between Furie and APC
Furie Discretionary Gas Confirmation
Non-Firm Revenue Credit Comparison
First Revision of Tariff Sheet 287

**ENSTAR Natural Gas Company
Alaska Pipeline Company
Gas Cost Adjustment Calculation
2024-2025**

	Calculated	Average Forecast Price	Net Taxes	Reimbursed Transportation	Estimated Unit Cost	Estimated Purchases Mcf	Total Cost
Approved Base Supply Contracts:							
Vision Resources	\$ 7.5365	7.5365			\$ 7.5365	379,000	\$ 2,856,000
Hilcorp APL-14*	\$ 8.1416	8.1416		0.2793	\$ 8.4209	30,081,000	253,309,000
Furie Operating Alaska	\$ 9.6899	9.6899			\$ 9.6899	1,666,000	16,143,000
System Base Gas Supply					\$ 8.4762	32,126,000	\$ 272,308,000
Additional Gas Supply:							
Short Term Supply Contracts	\$ 8.1500	8.1500			\$ 8.1500	9,000	73,000
Undetermined Supply	\$ -	-			\$ -	-	-
Gas Withdrawn From Storage					\$ 8.5376	5,095,000	43,499,000
Storage Reservation & Capacity Fees							14,601,000
Transportation Fees					-	-	716,000
Total Current Cost of System Gas Supply					\$ 8.8960	37,230,000	\$ 331,197,000
Balance of Gas Cost Balance Account - 3/31/24 ((over) or under-collected)							\$ 6,485,663
Other Adjustments							
Total							\$ 337,682,663
Mcf Sales							37,224,000
Weighted Average Unit Cost of Gas and Gas Cost Adjustment							<u>\$ 9.0716</u>
WACOG as filed in TA340-4 (July 23 - June 24)							\$ 8.6517
Change							0.4199
% Change							4.9%

* Price per Mcf includes the \$2.4 million Needle Peak Reservation Fee

Comparison of Current Rates	Schedule G1		Schedule G2		Schedule G3		Schedule G4	
	Current Rate	2024-2025 GCA	Current Rate	2024-2025 GCA	Current Rate	2024-2025 GCA	Current Rate	2024-2025 GCA
Base Rate	\$ 1.4982	\$ 1.4982	\$ 0.9602	\$ 0.9602	\$ 0.9449	\$ 0.9449	\$ 0.6581	\$ 0.6581
GCA	\$ 8.6517	\$ 9.0716	\$ 8.6517	\$ 9.0716	\$ 8.6517	\$ 9.0716	\$ 8.6517	\$ 9.0716
Per Mcf Cost	\$ 10.1499	\$ 10.5698	\$ 9.6119	\$ 10.0318	\$ 9.5966	\$ 10.0165	\$ 9.3098	\$ 9.7297
Average Consumption	140	140	364	364	1,152	1,152	7,368	7,368
	1,420.99	1,479.77	3,498.73	3,651.58	11,055.28	11,539.01	68,594.61	71,688.43
Customer charge	\$ 16.25	\$ 16.25	\$ 35.50	\$ 35.50	\$ 112.00	\$ 112.00	\$ 538.00	\$ 538.00
Annualized	\$ 195.00	\$ 195.00	\$ 426.00	\$ 426.00	\$ 1,344.00	\$ 1,344.00	\$ 6,456.00	\$ 6,456.00
Annual Bill	\$ 1,615.99	\$ 1,674.77	\$ 3,924.73	\$ 4,077.58	\$ 12,399.28	\$ 12,883.01	\$ 75,050.61	\$ 78,144.43
\$ Increase (Decrease)	\$ 58.79	\$ 4.90	\$ 152.84	\$ 12.74	\$ 483.72	\$ 40.31	\$ 3,093.82	\$ 257.82
% Increase (Decrease)	3.6%		3.9%		3.9%		4.1%	
Gas Sales Service Customers 3/31/2024	142,733		5,946		3,772		1,023	
Estimated Annual Revenues	\$ 230,655,000	\$ 239,045,000	\$ 23,336,000	\$ 24,245,000	\$ 46,770,000	\$ 48,595,000	\$ 76,777,000	\$ 79,942,000

2024-2025		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Storage-Related Fees:														
Reservation Rate		\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712	\$ 4.9712
Capacity Rate		\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678	\$ 0.0678
FSS Surcharge Rate Applied to CWQ (CLUS-5 WM)		\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093	\$ 0.3093
FSS Surcharge Rate Applied to MSQ (CLUS-5 WM)		\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042	\$ 0.0042
CINGSA RCC Rate		3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%	3.314%
CWQ	102,900	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	102,900	102,900	102,900	107,475
MSQ	8,775,000	8,900,000	8,900,000	8,900,000	8,900,000	8,900,000	8,900,000	8,900,000	8,900,000	8,900,000	8,775,000	8,775,000	8,775,000	8,868,750
Total FSS MSQ per agreements filed w/ RCA	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Reservation Fee		\$ 541,861	\$ 541,861	\$ 541,861	\$ 541,861	\$ 541,861	\$ 541,861	\$ 541,861	\$ 541,861	\$ 541,861	\$ 511,536	\$ 511,536	\$ 511,536	\$ 6,411,357
Capacity Fee		\$ 603,420	\$ 603,420	\$ 603,420	\$ 603,420	\$ 603,420	\$ 603,420	\$ 603,420	\$ 603,420	\$ 603,420	\$ 594,945	\$ 594,945	\$ 594,945	\$ 7,215,615
RCC		\$ 37,955	\$ 37,955	\$ 37,955	\$ 37,955	\$ 37,955	\$ 37,955	\$ 37,955	\$ 37,955	\$ 37,955	\$ 36,669	\$ 36,669	\$ 36,669	\$ 451,602
Total Reservation and Capacity Fees		\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,183,236	\$ 1,143,150	\$ 1,143,150	\$ 1,143,150	\$ 14,078,574
FSS Surcharge Rate Applied to CWQ (CLUS-3 WM)		\$ 33,714	\$ 33,714	\$ 33,714	\$ 33,714	\$ 33,714	\$ 33,714	\$ 33,714	\$ 33,714	\$ 33,714	\$ 31,827	\$ 31,827	\$ 31,827	\$ 398,907
FSS Surcharge Rate Applied to MSQ (CLUS-3 WM)		\$ 37,380	\$ 37,380	\$ 37,380	\$ 37,380	\$ 37,380	\$ 37,380	\$ 37,380	\$ 37,380	\$ 37,380	\$ 36,855	\$ 36,855	\$ 36,855	\$ 446,985
RCC		\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,276	\$ 2,276	\$ 2,276	\$ 28,032
Total CLUS-3 WM Charges		\$ 73,450	\$ 73,450	\$ 73,450	\$ 73,450	\$ 73,450	\$ 73,450	\$ 73,450	\$ 73,450	\$ 73,450	\$ 70,958	\$ 70,958	\$ 70,958	\$ 873,924
Non-Firm Revenue Credits*		\$ (103,024)	\$ (72,086)	\$ (37,024)	\$ (17,287)	\$ (17,257)	\$ -	\$ (33,986)	\$ (13,911)	\$ (28,131)	\$ (10,024)	\$ (6,972)	\$ (702)	\$ (340,403)
RCC		\$ (3,414)	\$ (2,389)	\$ (1,227)	\$ (573)	\$ (572)	\$ -	\$ (1,126)	\$ (461)	\$ (932)	\$ (332)	\$ (231)	\$ (23)	\$ (11,281)
Total		\$ (106,438)	\$ (74,475)	\$ (38,251)	\$ (17,860)	\$ (17,829)	\$ -	\$ (35,112)	\$ (14,372)	\$ (29,063)	\$ (10,356)	\$ (7,203)	\$ (725)	\$ (351,683)
Total Storage Fees		\$ 1,150,248	\$ 1,182,211	\$ 1,218,435	\$ 1,238,826	\$ 1,238,857	\$ 1,256,686	\$ 1,221,574	\$ 1,242,314	\$ 1,227,623	\$ 1,203,752	\$ 1,206,905	\$ 1,213,383	\$ 14,600,815
*Actual credits received for the production periods April 2023 through March 2024. Using the same time frame as with transportation percentage calculations and the balance of the GCA (March 31, 2024).														
Injection/Withdrawal Fees-Rate		\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483
Fuel Use %		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.500%
Cost of Gas Withdrawn For Supply		\$ -	\$ -	\$ -	\$ 4,519,726	\$ 3,567,922	\$ 4,373,989	\$ 10,522,516	\$ 9,506,896	\$ 2,622,017	\$ 8,131,985	\$ -	\$ -	\$ 43,245,051
Withdrawal Fees (includes RCC)		\$ -	\$ -	\$ -	\$ 26,578	\$ 20,981	\$ 25,721	\$ 61,877	\$ 55,889	\$ 15,405	\$ 47,776	\$ -	\$ -	\$ 254,227
Cost of Gas Withdrawn for Supply		\$ -	\$ -	\$ -	\$ 4,546,304	\$ 3,588,903	\$ 4,399,710	\$ 10,584,393	\$ 9,562,785	\$ 2,637,422	\$ 8,179,761	\$ -	\$ -	\$ 43,499,278

GAS SALE AND PURCHASE AGREEMENT

BETWEEN

BLUECREST ALASKA OPERATING LLC

AND

ALASKA PIPELINE COMPANY

April 27, 2023

GAS SALE AND PURCHASE AGREEMENT

TABLE OF CONTENTS

ARTICLE		PAGE
1.	DEFINITIONS	1
2.	GAS SALES AND PURCHASES	3
3.	DELIVERY POINT; TITLE; LIABILITY AND RISK OF LOSS	4
4.	EFFECTIVE DATE AND TERM.....	4
5.	MEASUREMENT; QUALITY.....	4
6.	GAS SALES PRICE; OTHER COSTS.....	4
7.	INVOICING AND PAYMENT	5
8.	TERMINATION	6
9.	TAXES.....	7
10.	ROYALTIES.....	7
11.	WARRANTY OF TITLE.....	8
12.	SUCCESSORS AND ASSIGNS.....	8
13.	INDEMNIFICATION; LIMITATION OF LIABILITY	8
14.	NOTICES.....	9
15.	NO THIRD PARTY BENEFICIARIES	10
16.	ENTIRE AGREEMENT; AMENDMENT	11
17.	NO WAIVER.....	11
18.	INTERPRETATION OF AGREEMENT	11
19.	NO PARTNERSHIP	11
20.	HEADINGS	11
21.	AUTHORITY.....	11
22.	GOVERNING LAW AND DISPUTE RESOLUTION	11
23.	CONFIDENTIALITY	13
24.	EXECUTION IN COUNTERPARTS; TIMING OF EXECUTION.....	13
25.	CONFLICT OF INTEREST	13

GAS SALE AND PURCHASE AGREEMENT

This GAS SALE AND PURCHASE AGREEMENT (“Agreement”) effective as of September 1, 2023 (“Effective Date”), is entered into by and between BlueCrest Alaska Operating LLC. (“Seller”), and Alaska Pipeline Company, LLC (“Buyer”). Seller and Buyer may be referred to collectively, as “Parties” and each, individually, as a “Party”.

RECITALS

- A. Seller owns, controls, or has the right to dispose of certain volumes of Natural Gas produced from lands located in the Cook Inlet region of Alaska (the “Project”);
- B. Buyer is a public utility that holds Certificate No. 141 from the Regulatory Commission of Alaska (“RCA”). Buyer, and its public utility affiliate ENSTAR Natural Gas Company, provide natural gas service to the Municipality of Anchorage and portions of the Matanuska-Susitna and Kenai Peninsula Boroughs. Buyer desires to purchase Gas to meet the needs of ENSTAR’s customers.
- C. Buyer desires to purchase such Natural Gas on an Interruptible basis; and
- D. The Parties wish to provide the terms and conditions for the sale and purchase of such Natural Gas.

AGREEMENT

1. DEFINITIONS.

1.1 The following definitions apply to this Agreement:

“Agreement” is defined in the first paragraph hereof.

“Alaska Time” means Alaska Daylight Time when Daylight Saving Time is in effect and Alaska Standard Time when Daylight Saving Time is not in effect.

“Business Day” means any Day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business.

“Buyer” is defined in the first paragraph of this Agreement.

“Claim” means any claim, liability, loss, demand, damages, lien, cause of action of any kind, obligation, costs, royalty, fees, assessments, penalties, fines, judgment, interest and award (including recoverable legal counsel fees and costs of litigation of the party asserting the Claim), whether arising by law, contract, tort, voluntary settlement or otherwise.

"Continuous Rate" means the rate per hour, delivered without significant variation. For example, if 6,000 Mcf of Natural Gas is delivered in a Day at a substantially constant rate, the Continuous Rate would be 250 Mcf.

"Daily Quantity" has the meaning set forth in Section 2.2.

"Day" means a 24-hour calendar day.

"Delivery Point" is defined in Section 3.1.

"Dispute" means any dispute or controversy arising out of this Agreement including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, or breach of this Agreement.

"Effective Date" is defined in the first paragraph of this Agreement.

"Gas" or "Natural Gas" means any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state consisting primarily of methane and meeting the quality specifications of Section 5.2.

"Gas Sales Price" means the price per Mcf for Gas delivered in a Transaction, as set forth in Section 6.1.

"Interrupt," "Interruptible," or "Interruption" means, in the case of Seller's obligations, Seller's reduction or cessation of the delivery of Gas when Seller in its sole discretion elects to reduce or cease deliveries for any reason and, in the case of Buyer's obligations, Buyer's reduction or cessation of the receipt of Gas when Buyer in its sole discretion elects to reduce or cease receipt for any reason.

"Mcf," "MMcf" and "Bcf" mean thousand standard cubic feet, million standard cubic feet, and billion standard cubic feet, respectively. Standard conditions will be at 14.65 psia pressure, and 60 degrees Fahrenheit temperature.

"MMcfpd" means million standard cubic feet per Day.

"Month" means a period beginning at 12:00:00 a.m., Anchorage time, on the first Day of a calendar month and ending at 11:59:59 p.m., Anchorage time, on the last Day of the same calendar month.

"Operational Notice" means a notice given as provided in Sections 2.2, 2.3, 2.4, 3.1, and 14.2.

"Party" and "Parties" are defined in the first paragraph of this Agreement.

“Production Taxes” has the meaning defined and set by AS 43.55.011, as amended, replaced, or supplemented from time to time after the date hereof.

“Seller” is defined in the first paragraph of this Agreement.

“Term” is defined in Section 4.1.

“Transaction” means an individual agreement to sell and purchase Gas reached by the Parties pursuant to Section 2.1.

“Transaction Confirmation” means the documentation memorializing each Transaction, including the commencement and termination dates of the sale and purchase of Natural Gas, the total volume of Gas, the Daily Quantity, the Continuous Rate, the Delivery Point, the Price of Gas purchased and sold, and any other terms of sale, in the form attached as Exhibit A.

2. GAS SALES AND PURCHASES.

- 2.1 **Sale and Purchase.** Subject to all terms and conditions of this Agreement, at any time during the Term, either Party may propose to buy or sell Gas, as applicable, on an Interruptible basis at a certain volume and price. If both Parties agree to a Transaction for an Interruptible Gas sale and purchase, they shall memorialize the Transaction by executing a Transaction Confirmation containing the key terms. In the event the Parties cannot reach mutual agreement on the terms governing a purchase or sale of Gas, then neither Party shall be obligated to deliver or receive, as applicable, any Gas on an Interruptible basis.
- 2.2 **Daily Quantity.** Seller shall deliver to Buyer the Daily Quantity of Gas at the rate and for the duration mutually agreed by the Parties as set forth in a Transaction Confirmation or as modified through an Operational Notice. Buyer will communicate with Seller, by emailed Operational Notice, by 12 pm Alaska Time each Day, its anticipated Natural Gas scheduling needs for the following Day. If any event or circumstance that may affect deliveries or receipts of Natural Gas under this Agreement becomes known to a Party, it shall provide as much advance notice to the other Party as is commercially reasonable under the circumstances at the time.
- 2.3 **Volume and Volume Variations.** Buyer and Seller understand that this Agreement may require frequent communication and cooperation for proper scheduling and delivery of Gas. Unless otherwise set forth in an Operational Notice, daily delivery of Gas volumes nominated shall be delivered at a Continuous Rate. The acting Party will provide twenty-four (24) hours prior notice through Operational Notices to the other Party when as permitted by this Agreement: (i) Buyer changes its Continuous Rate, or (ii) Seller Interrupts deliveries or Buyer Interrupts receipts.

- 2.4 **Operational Notices and Documentation.** Actions under Sections 2.1 and 2.3 will be made or confirmed through Operational Notices. The Parties will document the commencement and termination of all sales and purchases of Gas, and any modifications of the rates of flow within a reasonable time after the applicable Operational Notice. The transactional summaries will be tabulated by Seller in a spreadsheet that will be provided to Buyer periodically or in response to a request and will contain at least the following information in relation to each such transaction: (a) the total volume of sales and purchases of Gas, (b) the applicable rate(s) of Gas delivery, (c) the applicable Delivery Point(s), (d) the applicable Gas Sales Price, and (e) the total amount due.
- 2.5 **Transportation.** Seller is solely responsible for arranging the logistics of transporting Natural Gas sold under this Agreement to the Delivery Point. Buyer is solely responsible for arranging the logistics of transporting Natural Gas sold under this Agreement from the Delivery Point.

3. DELIVERY POINT; TITLE; LIABILITY AND RISK OF LOSS.

- 3.1 The authorized Delivery Point(s) for each Transaction will be mutually agreed to by the Parties for each Transaction and shall be set forth in a Transaction Confirmation and, if modified, through an Operation Notice.
- 3.2 Title to all Gas delivered under this Agreement will pass from Seller to Buyer upon the delivery of such Gas by Seller to Buyer at the applicable Delivery Point(s). For the avoidance of doubt, with respect to all such delivered Gas, Buyer shall have the right to use Gas sold and purchased pursuant to this Agreement for any purpose.
- 3.3 All cost, liability and risk associated with the Gas will be with Seller prior to delivery by Seller to the applicable Delivery Point(s), and with Buyer after delivery by Seller to the applicable Delivery Point(s).

4. EFFECTIVE DATE AND TERM.

- 4.1 **Term.** This Agreement is effective on the Effective Date and, unless earlier terminated under Article 8, terminates August 31, 2024 (the “Term”).
- 4.2 **Survival.** Notwithstanding anything to the contrary, all provisions of this Agreement relating to accrued payment obligations, indemnification, limitation of liability, and dispute resolution, including Sections 3.2, 3.3, 4.2, and Articles 1, 7, 8, 9, 10, 11, 13, 21, and 22, will survive expiration or termination of this Agreement.

5. MEASUREMENT; QUALITY.

- 5.1 The American Gas Association (AGA) measurement standards in effect on the date of delivery will apply to all Gas delivered under this Agreement.

5.2 Seller warrants all Gas delivered to the applicable Delivery Point(s) will be of a pressure, condition and quality to meet the standard requirements of the receiving pipeline system.

6. GAS SALES PRICE; OTHER COSTS.

6.1 **Gas Sales Price.** The sale price for each Transaction will be mutually agreed to by the Parties for each Transaction and shall be set forth in a Transaction Confirmation. All payments for purchased Gas will be made in accordance with Section 7.

6.2 **Production and Transportation Costs.** Seller is responsible for all Natural Gas processing and treatment expenses, royalties, severance/ production taxes, transportation costs (if any), and all other costs related to Natural Gas prior to the Delivery Point. Seller assumes all risk of future or retroactive changes in severance/ production taxes, excess royalties and any associated interest and penalties that might be assessed on the Natural Gas sold pursuant to this Agreement

6.3 **Post-Delivery Costs.** Buyer is responsible for all taxes, transportation costs, and any and all other costs related to the Natural Gas beyond the Delivery Point.

7. INVOICING AND PAYMENT.

7.1 **Statement and Payment.** On or before the twenty-fifth (25th) day of the month following the month of delivery of Natural Gas hereunder, Seller will provide Buyer at the address set forth below an invoice setting forth the volume of Natural Gas delivered to Buyer during the preceding month and the amount owed for such Natural Gas. Buyer will make payment by wire transfer within fifteen (15) days of delivery of the invoice. Payment will be by Automatic Clearing House transfer to the account of Seller set forth below.

Seller:

BlueCrest Alaska Operating LLC
1320 S. University Drive, Suite 825
Fort Worth, TX 76107
Contact: John M. Martineck
Telephone: 214-697-880
Email: John.Martineck@BlueCrestEnergy.com

Remittance information:

BlueCrest Alaska Operating LLC

ACH & Wire Information:

Physical Mailing Address:
JP Morgan Chase Bank, N.A.

Wire Routing: 021000021
Account Name: BlueCrest Alaska Operating LLC
Account Number: 709423776
ABA/Routing: 111000614

- 7.2 **Interest.** Any undisputed amount not paid when due (or any overpayment) will accrue interest daily at the daily rate corresponding to the annual rate of interest that is two (2) percentage points greater than the Wall Street Journal prime rate at the due date for payment or, if lower, the maximum rate of interest allowed under applicable law. If Buyer withholds payment of a disputed amount and it is later determined that all or part of the disputed amount was correctly invoiced, such amount that was properly payable shall accrue interest as set forth in this section. If an amount is disputed, but timely paid, and all or part of that amount is determined to have been incorrectly invoiced, the overpayment reimbursement due to Buyer will accrue interest as set forth in this section.
- 7.3 **Audit.** Each Party to this Agreement, at its sole expense, will have the right to audit the books and records of the other Party relating to performance of this Agreement. All audits will be conducted in accordance with professional auditing standards and during normal business hours. The audited Party will fully cooperate with the auditing Party to accomplish the audit as expeditiously as possible. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments to previous billings shall be paid in full by the Party owing payment within thirty (30) Days of notice from the other Party and substantiation of such adjustments.

8. TERMINATION.

- 8.1 The Parties agree this Agreement is a forward contract within the meaning of and for the purposes of the United States Bankruptcy Code, as amended. Further each Party represents to the other Party that it is a forward contract merchant as such term is defined in and for the purposes of the Bankruptcy Code, as amended. If: (a) a Party becomes the subject of bankruptcy or other insolvency proceedings, or proceedings for the appointment of a receiver, trustee, or similar official, (b) a Party becomes generally unable to pay its debts as they become due, or (c) a Party makes a general assignment for the benefit of creditors, the other Party to this Agreement may suspend its performance hereunder and or terminate this Agreement effective on notice to the other Party.
- 8.2 In the event that: (a) either Party defaults in its undisputed payment obligations, or (b) either Party defaults in its performance of any other material obligation hereunder; and (i) in the case of a default under Section 8.2(a), the non-defaulting Party has given notice to the defaulting Party of such default and the defaulting

Party has not cured such default within thirty (30) Days from the date it receives the notice to cure such default, or (ii) in the case of a default under Section 8.2(b), the non-defaulting Party has given notice to the defaulting Party specifying the default and the defaulting Party has not cured such default within sixty (60) Days from the date it receives the notice to cure such default, then the non-defaulting Party has the right to withhold or suspend deliveries or payment, or terminate this Agreement, each in the sole discretion of the non-defaulting Party, effective on notice to the other Party.

9. TAXES.

- 9.1 **General Allocation.** Seller will pay all taxes, fees, penalties, and assessments (including Production Taxes) attributable to Gas or any other activity or facility prior to the Delivery Point, but not Excess Taxes. Buyer will pay all taxes, fees, penalties, and assessments attributable to Gas or any other activity or facility at or after the Delivery Point.
- 9.2 **New Production Taxes and Financial Incentives.** Notwithstanding anything in Section 11.1 to the contrary, Seller shall be responsible for any production taxes attributable to its operations and transactions. Seller shall be responsible for any changes in the State of Alaska's financial incentives or credits from the financial incentives or credits in place on the Effective Date, including, without limitation, any changes in the financial incentives or credits contained in AS 43.55 et seq.

10. ROYALTIES.

- 10.1 Seller will be responsible for the payment of all royalties and any fees, penalties and assessments attributable to the royalties on Gas delivered under this Agreement. If Gas sold under this Agreement is produced from land owned by the State of Alaska, Seller is responsible for obtaining acceptance by the Alaska Department of Natural Resources of the Gas Sales Price paid under this Agreement as to the value of the State's royalty share of production under AS 35.05.180(aa).
- 10.2 If and to the extent that any one or more royalty owners of the Gas purchased by Buyer from Seller requires Seller under applicable laws, regulations, or lease terms to pay royalties on Gas sold hereunder at a value that exceeds the applicable Gas Sales Price under this Agreement, Buyer shall reimburse Seller the "excess royalties" that Seller pays to royalty owners. For clarification, the "excess royalties" referred to in the previous sentence shall be calculated as the product of: (1) the value of Gas for purposes of royalty payments less the actual sales price; (2) the applicable royalty percentage; and (3) the volume of Gas sold to which the royalty percentage applies.
- 10.3 If and to the extent that the State of Alaska elects under applicable laws, regulations, or lease terms to take its royalty in kind, then Seller will have the right, in its sole

discretion, to reduce Seller's obligations under this Agreement, provided, however, that, Seller shall give Buyer no less than 30 Days' prior notice of any such event and Seller and Buyer shall then meet to work out in good faith a reasonable reduction to the Gas volumes to be provided by Seller under this Agreement.

11. WARRANTY OF TITLE.

11.1 Seller warrants title at the Delivery Point to all Natural Gas delivered to Buyer hereunder and warrants its right to deliver and sell same, and agrees to hold Buyer harmless from and indemnify it against any and all loss, damage, cost, expense, or liability of whatsoever kind arising out of Claims of third persons, including Bankruptcy trustees, with respect to the title to such Natural Gas and or the right to sell and deliver such Natural Gas, including costs, expenses, and reasonable attorney's fees incurred by Buyer in defending against any such Claims.

12. SUCCESSORS AND ASSIGNS.

12.1 This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, save that no assignment or other transfer of this Agreement or any interest hereunder by either Party shall be effective without the written consent of the other Party (which consent shall not be unreasonably withheld), and the assignee must, in the commercially reasonable opinion of the other Party, be financially and physically capable of assuming such obligations. No assignment for which written consent has been received will be effective until the assignee agrees in writing to assume and fully perform the terms of this Agreement.

13. INDEMNIFICATION; LIMITATION OF LIABILITY.

13.1 **Indemnification.** Each Party will protect, defend, indemnify, and hold harmless the other Party from any and all liability and expense, including costs, expenses, and reasonable attorney's fees incurred, on account of all Claims asserted by third persons, including for damages to and destruction of property, and injury to and death of persons, arising from any act or accident including a failure to act, as to which and to the extent that the indemnifying Party was at fault (whether through negligence, willful misconduct, strict liability or other legal theory) in connection with the installation, presence, maintenance, and operation of property, equipment, and facilities of the indemnifying Party used in connection with or associated with the Natural Gas sold and purchased hereunder. This duty to protect, defend, indemnify, and hold harmless will survive the expiration or termination of this Agreement. Without limiting Section 13.1, as between Seller and Buyer, Seller will be liable for all claims that arise from the failure of Gas delivered by Seller to Buyer under this Agreement to meet the quality requirements of Section 5. Neither Party will be liable to the other for special, punitive, indirect, or consequential damages resulting from or arising out of or occurring in connection with this Agreement.

13.2 **Limitation of Liability.** Neither Party will be held liable to the other for special, punitive, indirect, or consequential damages resulting from or arising out of or occurring in connection with this Agreement.

14. NOTICES.

14.1 Except as specifically provided otherwise in Article 7 of this Agreement, all notices and communications under this Agreement (other than Operational Notices as provided in Section 14.2) will be made in writing by certified mail (return receipt requested), facsimile (with confirmation by one of the other means described herein received within two (2) Business Days of receipt of such facsimile), email, or by nationally recognized overnight courier. All such notices will be deemed effective (a) if mailed, on the date indicated on the returned receipt, (b) if delivered personally or by overnight courier, when delivered, (c) if sent by email or by facsimile during the normal business hours of the recipient, on the same Business Day as sent, and (d) if sent by email or facsimile after the normal business hours of the recipient, on the next Business Day following the date of transmission.

Seller

BlueCrest Alaska Operating LLC
Attn: John M. Martineck
Physical: 1320 S. University Drive, Suite 825
Fort Worth, TX 76107
Telephone: 214-697-8802
Email: John.Martineck@BlueCrestEnergy.com

Buyer

Alaska Pipeline Company
Attn: Inna Johansen, Director, Gas Supply Operations
Physical: 3000 Spenard Road
Anchorage, AK 99503
Mailing: P.O. Box 190288
Anchorage, AK 99519
Email: inna.johansen@enstarnaturalgas.com

14.2 Any Operational Notice required or permitted to be given to either Party will be given by telephone and confirmed by email, at the telephone numbers and email addresses set forth below (or such other telephone numbers and email addresses as the Parties may designate from time to time by written notice under Section 14.1). Notices given by telephone will be effective immediately and the confirmation by email will be effective when received by the recipient's email server. The Party providing an Operational Notice will attempt to contact the primary contact first. If the primary contact is unavailable to receive notice in a timely manner, the Party providing an Operational Notice will contact the alternate contact.

Seller:

BlueCrest Alaska Operating LLC
1320 S. University Drive, Suite 825
Fort Worth, TX 76107

Primary Contact:

John M. Martineck
President & Chief Operating Officer
Telephone: 214-697-8802
Email: John.Martineck@BlueCrestEnergy.com

Alternate Contact:

Mike Carne
Corporate Controller
Telephone: 817-509-1214
Email: MCarne@BlueCrestEnergy.com

Buyer:

Alaska Pipeline Company
3000 Spenard Road
Anchorage, AK 99503

Primary Contact(s):

Inna Johansen
Director, Gas Supply Operations
Telephone: 907-334-7830
Email: inna.johansen@enstarnaturalgas.com

Gabe Bleau

Gas Control Supervisor
Telephone: 907-334-7795
Email: gabe.bleau@enstarnaturalgas.com

- 14.3 Either Party may designate address changes by formal written notice as provided in Section 14.1.

15. NO THIRD PARTY BENEFICIARIES.

- 15.1 This Agreement is made for the sole benefit of the Parties and their respective successors and assigns. The Parties do not intend to create, and this Agreement will not be construed to create, by implication or otherwise, any rights in any other person or entity not a Party to this Agreement, and no such person or entity will have any rights or remedies under or by reason of this Agreement, or any right to the exercise of any right or power hereunder or arising from any default hereunder.

16. ENTIRE AGREEMENT; AMENDMENT.

16.1 This Agreement is the entire and complete agreement between the Parties regarding the sale and purchase of Gas as described herein. Any prior agreements or understandings, oral or written, are superseded and replaced by this Agreement. This Agreement may not be amended except in a writing duly executed by the Parties.

17. NO WAIVER.

17.1 Waiver of any default under this Agreement will not act as a waiver of any other or future default.

18. INTERPRETATION OF AGREEMENT.

18.1 Each Party acknowledges and agrees that it has participated in the drafting of this Agreement and has had the opportunity to consult with legal counsel and any other advisors of its choice to its satisfaction regarding the terms and provisions of this Agreement and the results thereof. As a result, the rule of construction that an agreement be construed against the drafter will not be asserted or applied to this Agreement.

19. NO PARTNERSHIP.

19.1 The execution and performance of this Agreement is not intended by the Parties to create and will not be construed to create any partnership or business association between the Parties.

20. HEADINGS.

20.1 The headings in this Agreement are for the convenience of the reader only. The headings are not part of this Agreement and do not purport to and will not be deemed to define, limit, or extend the scope or intent of the article or section to which they pertain.

21. AUTHORITY.

21.1 Each Party represents and warrants to the other Party that it has the legal authority to enter into and perform this Agreement and each obligation assumed by such Party under this Agreement.

22. GOVERNING LAW AND DISPUTE RESOLUTION.

22.1 **Governing Law.** This Agreement is governed by and interpreted under the laws of the State of Alaska, without regard to its choice of law rules.

- 22.2 **Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them using direct negotiations and/or non-jury trials, all as set out in this Article 22. A Party who violates this Article 22 shall pay all reasonable legal, expert and court fees and costs incurred by the other Party in any suit, action, or proceeding to enforce this Article 22. While the procedures in this Article 22 are pending, each Party shall continue to perform its obligations under this Agreement, unless to do so would be impossible or impracticable under the circumstances.
- 22.3 **Direct Negotiations.** If a Dispute arises, a Party shall initiate the resolution process by giving notice setting out in writing and in detail the issues in Dispute and the value of the Claim to the other Party. If a Party refuses to toll all applicable statutes of limitations and defenses based upon the passage of time while the proceedings in this Section 22.3 are pending, the other Party may file a court proceeding under Section 22.4 in an attempt to preserve its Claim and such proceeding shall be stayed by the arbitrator or arbitrators after appointment so that the Parties may continue efforts to resolve this Dispute as set out in this Section 22.3. A meeting between the Parties, attended by individuals with decision-making authority, must take place within twenty (20) days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations.
- 22.4 **Trial.** If the Dispute is not resolved by mediation within thirty (30) days from the date of the notice requiring direct negotiations, then the Dispute will be resolved by the state or federal courts of Alaska in Anchorage, Alaska. Each Party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement and the transactions it contemplates. This waiver applies to any action or legal proceeding, whether sounding in contract, tort, or otherwise. All reasonable attorneys' and court fees and costs of both Parties shall be borne by the Party determined by the court to be at fault.
- 22.5 **Enforcement.** Proceedings to enforce judgment entered on an award may be brought in any court having jurisdiction over the person or assets of the non-prevailing Party. The prevailing Party may seek, in any court having jurisdiction, judicial recognition of the award, or order of enforcement or any other order or decree that is necessary to give full effect to the award.

23. CONFIDENTIALITY

23.1 Each Party shall, and shall cause its affiliates to, hold, and shall use its reasonable best efforts to cause its or their respective representatives to hold, in confidence any and all information, whether written or oral, concerning the subject matter of this Agreement, except to the extent that the disclosing Party can show that such information (a) is generally available to and known by the public through no fault of the disclosing Party, any of its affiliates or their respective representatives; (b) has been disclosed to any government commission, agency or organization; or (c) is lawfully acquired by the disclosing Party, any of its affiliates or their respective representatives from and after the date of this Agreement from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. Notwithstanding the foregoing, the Parties agree that disclosure may be made: (i) in order to enforce any of the provisions of this Agreement, including, without limitation, the agreement to arbitrate, any arbitration order or award and any court judgment; (ii) to the auditors, legal advisors, insurers, lenders, financial advisors, and affiliates of that Party to whom the confidentiality obligations set out in this Agreement shall extend; (iii) whether that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation; (iv) with the prior written consent of the other Party; or (v) as required in connection with RCA or Alaska Department of Natural Resources approvals.

24. EXECUTION IN COUNTERPARTS; TIMING OF EXECUTION.

24.1 This Agreement may be executed by the Parties in any number of counterparts and on separate counterparts, including electronic transmittals, each of which when so executed will be deemed an original, but all such counterparts, when taken together, will constitute but one and the same Agreement. In the event one Party executes the Agreement, and the other Party does not execute the Agreement within ten (10) days of the first Party's execution, the execution of the Agreement by the first Party will be deemed null and void.

25. CONFLICT OF INTEREST.

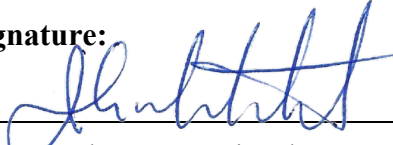
25.1 No Party, nor any director, employee, or agent of a Party will give to or receive from any Party or any director, employee, or agent of the other Party any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement. Each Party will promptly notify the other Party of any violation of this section, and any consideration received by a Party as a result of such violation will be paid over or credited to the other Party. Each Party, or its designated representative(s), may audit any and all records of the other Party as provided in Section 7.3 of this Agreement for the sole purpose of determining whether there has been compliance with this section.

IN WITNESS WHEREOF, the Parties have executed this Gas Sale and Purchase Agreement effective as of the Effective Date.

SELLER:
BlueCrest Alaska Operating LLC

BUYER:
Alaska Pipeline Company.

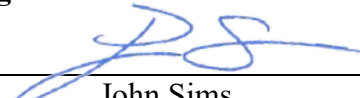
Signature:



Name: John M. Martineck

Title: President & Chief Operating Officer

Signature:



Name: John Sims

Title: President

EXHIBIT A

TRANSACTION CONFIRMATION

This Transaction Confirmation is subject to the Gas Sale and Purchase Agreement
between Seller and Buyer, dated _____.

SELLER:

BlueCrest Alaska Operating LLC

Attn: John M. Martineck

Phone: 214-697-8802

Email: John.Martineck@BlueCrestEnergy.com

BUYER:

Alaska Pipeline Company

Attn: _____

Phone: _____

Fax: _____

PERIOD:

Transaction Start Date: _____ Transaction End Date: _____

GAS PRICE:

Gas Price: _____ \$/Mcf

GAS QUANTITY:

Gas Quantity:

Interruptible: _____ Mcf at a rate of _____ Mcfpd

DELIVERY POINTS:

SPECIAL CONDITIONS:

Seller: BlueCrest Alaska Operating LLC

By: _____

Title: _____

Date: _____

Buyer: Alaska Pipeline Company

By: _____

Title: _____

Date: _____

TRANSACTION CONFIRMATION

Interruptible #7 TC#1

This Transaction Confirmation is subject to the Gas Sale and Purchase Agreement
between Seller and Buyer, effective 09/01/2023.

SELLER:

BlueCrest Alaska Operating LLC

Attn: John M. Martineck

Phone: 214-697-8802

Email: John.Martineck@BlueCrestEnergy.com

BUYER:

Alaska Pipeline Company

Attn: Inna Johansen

Phone: 907-334-7830

Email: inna.johansen@enstarnaturalgas.com

PERIOD:

Transaction Start Date: 09/01/2023

Transaction End Date: 08/31/2024

GAS PRICE:

Gas Price: \$8.15/Mcf

GAS QUANTITY:

All gas production available for sale up to 10,000 Mcf/day

DELIVERY POINTS: BlueCrest Cosmo Pipeline Connection (ENSTAR/ APC MSN K694)

SPECIAL CONDITIONS:

Seller: BlueCrest Alaska Operating LLC

By: 

John M. Martineck

Title: President and Chief Operating Officer

Date: May 4, 2023

Buyer: Alaska Pipeline Company

By: 

John Sims, President

Date: May 4, 2023

Gas Sale and Purchase Agreement

BlueCrest – APC: September 1, 2023 – August 31, 2024



3000 Spenard Road
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

December 10, 2023

Kurtis Gibson
VP – Marketing and Business Development
Hilcorp Alaska, LLC.
3800 Centerpoint Drive
Anchorage, AK 99503

RE: Amended and Restated APL-14 Gas Sale Agreement - Needle Peak Call Option-
Contract Year 5

Dear Mr. Gibson:

Per the Amended and Restated APL-14 Gas Sales Agreement (“Agreement”) Section 2.3 (C), Alaska Pipeline Company (“APC”) “may acquire the Needle Peak Call Option by providing Regular Notice no later than December 15 prior to the Contract Year in which the Needle Peak Call Option is to be available.”

APC will acquire the Needle Peak Call Option for Contract Year 5 (April 1st, 2024 to March 31st, 2025). As defined under Section 7.1 (E) of the Agreement the Adjusted Needle Peak Reservation Fee is \$200 multiplied by the Adjusted Needle Peak Rate per each Contract Year in which APC exercises the Needle Peak Call Option. During the Contract Year 4 APC will be exercising the Needle Peak Call Option with the Adjusted Needle Peak Option per Section 2.3(C) of the Agreement. The Turn-Up Option previously exercised at 3,000 MMcf adjusts down the Needle Peak Rate in order not to exceed the Seller’s Maximum Deliverability Rate. The 3,000 MMcf in Firm DCQ delivered at a continuous rate over 365 days or 8,219 Mcfpd under the Turn-Up Option is removed from the 20,000 Mcfpd available under the Needle Peak Rate. The Adjusted Needle Peak Rate 11,781 Mcfpd multiplied by \$200 is the Needle Peak Reservation Fee (\$2,356,200) and the Needle Peak Reservation Fee will be billed monthly based on the schedule below:

Month	Monthly Charge %	Needle Peak Reservation Fee
Apr	5%	\$117,810
May	5%	\$117,810
Jun	5%	\$117,810
Jul	5%	\$117,810
Aug	5%	\$117,810
Sep	5%	\$117,810

Anchorage: 907-277-5551 • Kenai Peninsula Office: 907-262-9334 • Mat-Su Office: 907-376-7979

All Our Energy Goes Into Our Customers

Oct	5%	\$117,810
Nov	11%	\$259,182
Dec	15%	\$353,430
Jan	15%	\$353,430
Feb	13%	\$306,306
Mar	11%	\$259,182
	100%	\$2,356,200

If you have any questions, please do not hesitate to call me at (907) 334-7830.

Sincerely,

A handwritten signature in blue ink that reads "I. Johansen". The signature is written in a cursive style with a large, prominent initial "I".

Inna Johansen
Director, Gas Supply Operations
ENSTAR Natural Gas Company



3000 Spenard Road
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

March 10, 2023

Kurtis Gibson
VP – Marketing and Business Development
Hilcorp Alaska, LLC.
3800 Centerpoint Drive
Anchorage, AK 99503

RE: Amended APL-14 Turn-Up Option Gas - Contract Year 6

Dear Mr. Gibson:

Per the Amended APL-14 Gas Sales Agreement (“Agreement”) Section 2.8 (A), Alaska Pipeline Company (“APC”) “has an option to increase the Firm ACQ by up to 3,000 MMcf per Contract Year (Turn-Up Option Gas). To exercise this option, ENSTAR is required to provide a Formal Notice at least 24 months prior to the relevant Contract Year which for Contract Year 6 is March 31, 2023.

APC will exercise its Turn-Up option to increase its Firm ACQ by the amount of 3,000 MMcf Turn-Up Option Gas for Contract Year 6 (April 1st, 2025 to March 31st, 2026).

If you have any questions, I can be reached at (907) 334-7830.

Sincerely,

A handwritten signature in blue ink that reads "I. Johansen".

Inna Johansen
Director, Gas Supply Operations
ENSTAR Natural Gas Company



Hilcorp Alaska, LLC

Kurtis Gibson
Vice President, Marketing
and Business Development

3800 Centerpoint Drive
Suite 1400
Anchorage, AK 99503

Phone: 907/777-8407
kgibson@hilcorp.com

February 7, 2024

Inna Johansen
Director, Gas Supply Operations
ENSTAR Natural Gas Company
3000 Spenard Road
Anchorage, AK 99519-0288

Re: Contract Year 5 Sales Price for Gas Sales Agreement between Hilcorp Alaska, LLC and Alaska Pipeline Company (APL-14, Amended & Restated), Dated December 23, 2015

Dear Ms. Johansen:

Pursuant to Section 7.1 of the above referenced contract, the Sales Price is subject to modification each Contract Year based on the succession of calculations described in Section 7.1 and detailed in Exhibit N:

The Sales Price calculated for Contract Year 5 (2024) is:

	<u>Sales Price</u>
Prior Contract Year Sales Price	\$7.86
Annual Price Modifier	1.50%
Apply Annual Price Modifier to Prior Contract Year Sales Price	\$7.98
Sales Price Ceiling	\$8.89
Sales Price Floor	\$7.55
Final Sales Price for Contract Year 5	\$7.98

Exhibit N is attached for your review. If you have any questions or would like to discuss the attached in further detail, please do not hesitate to call.

Sincerely,

HILCORP ALASKA, LLC

Kurt Gibson
Vice President, Marketing and Business Development

**EXHIBIT N
Annual Sales Price Calculation**

The Annual Sales Price shall be calculated by in accordance with the following steps

Step 1: Determine Price Index Annual Average Values

(a)	(b) (c) (d) Index Values from U.S. Bureau of Labor Statistics				
	Year Prior to Last Calendar Year	Consumer Price Index	Non-Seasonally Adjusted Producer Price		Seasonally Adjusted Producer Price
		U.S.	Index Commodity		Index
		CUUR0000SA0LIE ¹	WPUFD49104 ²		WPSFD413 ³
1 January 2022	285.996	131.197	132.194		
2 February 2022	288.059	132.152	133.280		
3 March 2022	289.305	133.956	134.613		
4 April 2022	290.846	134.562	136.167		
5 May 2022	292.506	135.015	137.109		
6 June 2022	294.68	135.479	137.738		
7 July 2022	295.646	135.894	137.970		
8 August 2022	297.178	136.366	138.299		
9 September 2022	298.442	136.488	138.309		
10 October 2022	299.315	137.066	138.317		
11 November 2022	299.6	137.251	138.709		
12 December 2022	300.113	137.260	138.813		
13 Annual Sum (Sum of Lines 1-12)	3531.686	1622.686	1641.518	No Rounding	
14 Number of Months in a Calendar Year	12	12	12		
15 Index Value Annual Average of Year Prior to Last Calendar Year (Line 13 divided by Line 14)	294.31	135.22	136.79	No Rounding	
Prior Calendar Year					
	CUUR0000SA0LIE ¹	WPUFD49104 ²	WPSFD413 ³		
16 January 2023	301.962	137.786	139.699		
17 February 2023	304.011	138.265	140.148		
18 March 2023	305.476	138.434	140.444		
19 April 2023	306.899	138.752	140.646		
20 May 2023	308.096	138.782	140.794		
21 June 2023	308.910	138.920	140.550		
22 July 2023	309.402	139.605	140.614		
23 August 2023	310.103	139.787	140.773		
24 September 2023	310.817	139.974	141.012		
25 October 2023	311.380	140.239	141.051		
26 November 2023	311.606	139.934	141.247		
27 December 2023	311.907	139.682	141.273		
28 Annual Sum (Sum of Lines 16-27)	3700.569	1670.160	1688.251	No Rounding	
29 Divided by # of Months	12	12	12		
30 Index Value Annual Average of Last Calendar Year (Line 28 divided by Line 29)	308.38	139.18	140.69	No Rounding	

Step 2: Determine Price Index Change Values

(a)	(b) (c) (d) Index Value Annual Averages			
	CUUR0000SA0LIE ¹	WPUFD49104 ²	WPSFD413 ³	
	Index			
31 Price Index Annual Average Value for the Year two Years prior to Contract Year (Line 15)	294.31	135.22	136.79	No Rounding
32 Price Index Annual Average Value for the Year preceding the Contract Year (Line 30)	308.38	139.18	140.69	No Rounding
33 Price Index Change Values (Line 32 less Line 31)	14.07	3.96	3.89	No Rounding

Step 3: Determine Price Index Change Percentages

34 Price Index Change Percentage (Line 33 divided by Line 31)	4.78%	2.93%	2.85%	No Rounding
---	-------	-------	-------	-------------

Step 4: Determine Annual Price Modifier

35 Average of Price Index Change Percentages (Sum of Line 34 col (b), (c), and (d) divided by 3)		3.52%	No Rounding
36 Annual Price Modifier Minimum		-1.00%	
37 Annual Price Modifier Maximum		1.50%	

38 This Contract Year's Annual Price Modifier		1.50%	No Rounding
---	--	-------	-------------

Step 5: Determine Sales Price

	Sales Price	
39 Prior Contract Year Sales Price	\$7.86	
40 Annual Price Modifier	1.50%	No Rounding
41 Apply Annual Price Modifier to Prior Contract Year Sales Price (Line 39 times (1+Line 40))	\$7.98	Rounded to Two Decimal Places
42 Sales Price Ceiling	\$8.89	
43 Sales Price Floor	\$7.55	
44 Final Sales Price	\$7.98	Rounded to Two Decimal Places

¹ CPI for All Urban Consumers (CPI-U) All items less food and energy in U.S. city average, all urban consumers, not seasonally adjusted. <https://beta.bls.gov/dataViewer/view/timeseries/CUUR0000SA01E>

² PPI Commodity data for Final demand goods less foods and energy, not seasonally adjusted. <https://beta.bls.gov/dataViewer/view/timeseries/WPUFD49104>

³ PPI Commodity data for Final demand goods less foods and energy, seasonally adjusted. <https://beta.bls.gov/dataViewer/view/timeseries/WPSFD413>

EXHIBIT I
Furie Sale Prices Calculation for Contract Years 7 and 8 (SEC. 3.1)

The Annual Sales Price shall be calculated by in accordance with the following steps:

Step 1: Determine Price Index Annual Average Values

(a)	(b) <u>Index Observation Value</u>
	CUUSS49GSA0 ¹
1 February 2022	246.369
2 April 2022	251.041
3 June 2022	268.916
4 August 2022	258.149
5 October 2022	261.093
6 December 2022	256.634
7 Annual Sum (Sum of Lines 1-6)	1542.20
8 Number of Months in a Calendar Year	6
9 Price Index Annual Average Value for the Year two Years preceding the Contract Year (Line 7 divided by Line 8)	257.0

	<u>Index Observation Value</u>
	CUURS49GSA0 ¹
10 February 2023	256.856
11 April 2023	258.866
12 June 2023	259.93
13 August 2023	263.407
14 October 2023	263.984
15 December 2023	261.178
16 Annual Sum (Sum of Lines 10-15)	1564.221
17 Divided by # of Months	6
18 Price Index Annual Average Value for the Year preceding the Contract Year (Line 16 divided by Line 17)	260.70

Step 2: Determine Price Index Change Values

(a)	(b)
	CUURS49GSA0 ¹
19 Price Index Annual Average Value for the Year two Years prior to Contract Year (Line 9)	257.0337
20 Price Index Annual Average Value for the Year preceding the Contract Year (Line 18)	260.7035
21 Price Index Change Values (Line 20 less Line 19)	3.6698

Step 3: Determine Price Index Change Percentages

22 Price Index Change Percentage (Line 21 divided by Line 19) 1.4278%

Step 4: Determine Annual Price Modifier

23 Price Index Change Percentage (Line 22) 1.4278%

24 Annual Price Modifier Minimum -6.00%

25 Annual Price Modifier Maximum 6.00%

If an Average of Price Index Change Percentages is equal to or less than negative six percent (-6%), the Annual Price Modifier will be negative six percent (-6%). If an Average of Price Index Change Percentages is equal to or greater than positive six percent (6%), the Annual Price Modifier will be positive six percent (6%). Otherwise, the Average of Price Index Change Percentages will be the Annual Price Modifier.

26 This Contract Year's Annual Price Modifier 1.4278%

Step 5: Determine Sales Price

	<u>Sales Price</u>
27 Applicable Contract Year Sales Price (CY 7)	\$7.70
28 Annual Price Modifier	1.4278%
29 Apply Annual Price Modifier to Prior Contract Year Sales Price (Line 27 times (1+Line 28))	\$7.81
30 Sales Price Ceiling	\$8.37
31 Sales Price Floor	\$7.70

If calculated Sales Price is equal to or less than \$7.80, the Sales price will be \$7.80. If a calculated Sales Price is equal to or greater than \$8.27, the Sales price will be \$8.27. Otherwise, the calculated Sales Price will be the Sales Price for the upcoming Contract Year.

32 Final Sales Price \$7.81

¹ CPI: All items in Urban Alaska, all urban consumers, not seasonally adjusted.
<https://data.bls.gov/PDQWeb/cu>

Transaction Confirmation # 35

Discretionary Gas Sales Form (Sec. 2.3)

This Transaction Confirmation is subject to the Gas Sale and Purchase Agreement
between Seller and Buyer, dated February 26, 2016, as amended.

SELLER:

Furie Operating Alaska, LLC

Attn: Mark SlaughterPhone: 907-632-2474Email: m.slaughter@fuirealaska.com**BUYER:**

Alaska Pipeline Company

Attn: Inna JohansenPhone: 907 334 7830Email: Inna.Johansen@enstarnaturalgas.com**PERIOD:**Transaction Start Date: 12/20/23 Transaction End Date 12/31/24**GAS PRICE:**Gas Price: 12/20/23 – 3/31/24 \$12.50 \$/Mcf4/1/24 – 12/31/24 \$12.88 \$/Mcf**GAS QUANTITY:**Gas Quantity Subject to Special Conditions below all gas production available for sale up to 35,000 Mcfpd**DELIVERY POINTS:** KBPL 215 Meter

SPECIAL CONDITIONS: Due to the current and growing natural gas crisis in Cook Inlet the parties are working closely together to increase local gas production. Subject to availability of Gas and Seller's evaluation of the acceleration of production from existing reserves; During 12/20/23-3/31/24 Seller to sell gas to APC in excess of current existing production rates of 10 MMcfd and Buyer will purchase all gas made available from Seller and During 4/1/24-12/31/24 All gas in excess of current existing production of 8.5 MMcfd.

By February 28, 2024 the Parties will work in good faith to negotiate a 6th Amendment to the GSPA dated February 26, 2016 for additional Discretionary Gas or O-ROFR Gas for the Contract Years beginning April 1, 2026 and up to March 31, 2030.

Seller: Furie Operating Alaska, LLC

By: Title: Chief Commercial OfficerDate: December 19, 2023

Buyer: Alaska Pipeline Company

By: Title: Director, Gas SupplyDate: 12/19/23

**Non-Firm Revenue Credits - WACOG Comparison
For Years 2023-2024 and 2024-2025**

Actuals From:	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	
2023-2024	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Non-Firm Revenue Credits*	\$ (103,024)	\$ (72,086)	\$ (37,024)	\$ (17,287)	\$ (17,257)	\$ -	\$ (33,986)	\$ (13,911)	\$ (28,131)	\$ (10,024)	\$ (6,972)	\$ (702)	\$ (340,403)
RCC	\$ (3,363)	\$ (2,353)	\$ (1,227)	\$ (573)	\$ (572)	\$ -	\$ (1,126)	\$ (461)	\$ (932)	\$ (332)	\$ (231)	\$ (23)	\$ (11,193)
Total	\$ (106,386)	\$ (74,439)	\$ (38,251)	\$ (17,860)	\$ (17,829)	\$ -	\$ (35,112)	\$ (14,372)	\$ (29,063)	\$ (10,356)	\$ (7,203)	\$ (725)	\$ (351,596)

Actuals From:	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	
2022-2023	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Non-Firm Revenue Credits**	\$ (3,056)	\$ (4,312)	\$ (4,244)	\$ (10,057)	\$ (16,830)	\$ (18,597)	\$ (24,620)	\$ (56,545)	\$ (65,974)	\$ (51,718)	\$ (64,220)	\$ (93,820)	\$ (413,992)
RCC	\$ (116)	\$ (163)	\$ (139)	\$ (328)	\$ (549)	\$ (607)	\$ (804)	\$ (1,846)	\$ (2,153)	\$ (1,688)	\$ (2,096)	\$ (3,062)	\$ (13,551)
Total	\$ (3,172)	\$ (4,475)	\$ (4,382)	\$ (10,385)	\$ (17,379)	\$ (19,204)	\$ (25,423)	\$ (58,391)	\$ (68,127)	\$ (53,406)	\$ (66,316)	\$ (96,882)	\$ (427,543)

Difference	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Non-Firm Revenue Credits	\$ (99,967)	\$ (67,775)	\$ (32,780)	\$ (7,230)	\$ (427)	\$ 18,597	\$ (9,366)	\$ 42,634	\$ 37,843	\$ 41,694	\$ 57,248	\$ 93,118	\$ 73,589
RCC	\$ (3,247)	\$ (2,190)	\$ (1,088)	\$ (245)	\$ (23)	\$ 607	\$ (323)	\$ 1,385	\$ 1,221	\$ 1,356	\$ 1,865	\$ 3,039	\$ 2,357
Total	\$ (103,214)	\$ (69,964)	\$ (33,868)	\$ (7,475)	\$ (450)	\$ 19,204	\$ (9,689)	\$ 44,019	\$ 39,064	\$ 43,050	\$ 59,113	\$ 96,157	\$ 75,947

*Actual credits received for the production periods April 2023 through March 2024.

**Actual credits received for the production periods April 2022 through March 2023.



ENSTAR Natural Gas Company, LLC

§2301 **Determination of Gas Cost Adjustment**

(1) <u>Current Cost of System Base Gas Supply:</u>	<u>Approved Base</u> <u>Supply Contracts</u>	<u>Estimated</u> <u>Purchases*</u> (A)	<u>Estimated</u> <u>Unit Cost</u> (B)	<u>Total</u> <u>(A x B)</u> (C)	
a) Hilcorp APL-14		30,081,000 Mcf	\$8.4209/Mcf	\$ 253,309,000	C
b) Furie Operating Alaska		1,666,000 Mcf	\$9.6899/Mcf	\$ 16,143,000	C
c) Vision Resources		379,000 Mcf	\$7.5365/Mcf	\$ 2,856,000	C
d) System Base Gas Supply		<u>32,126,000 Mcf</u>		<u>\$ 272,308,000</u>	C
e) Current Average Cost of System Base Gas Supply (C/A)			<u>\$8.4762/Mcf</u>		C
(2) <u>Additional Gas Supply:</u>					
a) Short Term Supply Contracts		9,000 Mcf	\$8.15/Mcf	\$ 73,000	C
b) Undetermined Supply				\$	
c) Total Additional Gas Supply		<u>9,000 Mcf</u>		<u>\$ 73,000</u>	C
(3) Gas Withdrawn From Storage		5,095,000 Mcf	\$8.5376/Mcf	\$ 43,499,000	C
(4) FSS Storage Fees				\$ 14,601,000	C
(5) ISS Storage Fees				\$ 0	
(6) Transportation Fees				<u>\$ 716,000</u>	C
(7) Total Current Cost of System Gas Supply (1d plus 2c, 3, 4, 5, & 6)		<u>37,230,000 Mcf</u>		\$ 331,197,000	C
(8) Current Average Cost of System Gas Supply (C/A)			<u>\$8.8960/Mcf</u>		C
(9) Balance of Gas Cost Balance Account at March 31, 2024. (March 31 st for the annual revision, otherwise the most recent month-end balance available immediately preceding the filing date) (negative if credit balance)				\$ 6,485,663	C,T
(10) Other Adjustments				<u>\$ 0</u>	
(11) Total (7, 9, and 10 above)				<u>\$ 337,682,663</u>	C
(12) Mcf Sales *				<u>37,224,000</u>	C
(13) Weighted Average Unit Cost of Gas and Gas Cost Adjustment (11 divided by 12)				<u>\$ 9.0716/Mcf</u>	C

* For the 12-month period beginning July 1, 2024.

C