

District Court, Osage County, Okla.  
FILED

IN THE DISTRICT COURT OF OSAGE COUNTY  
STATE OF OKLAHOMA

APR 10 2024

JENNIFER BURD, Court Clerk  
By \_\_\_\_\_

STATE OF OKLAHOMA *ex rel.*  
GENTNER DRUMMOND,  
ATTORNEY GENERAL OF OKLAHOMA,

Plaintiff,

v.

SYMMETRY ENERGY SOLUTIONS, LLC,

Defendant.

Case No. CJ-24-78

**PETITION**

Plaintiff, State of Oklahoma *ex rel.* Gentner Drummond, Attorney General of Oklahoma, commences this action on behalf of Grand River Dam Authority (“GRDA”) against Defendant, Symmetry Energy Solutions, LLC, formerly known as CenterPoint Energy Services, Inc. (“Symmetry”), and alleges as follows:

**INTRODUCTION**

1. GRDA brings this action to remedy violations of Oklahoma statutes and common law in connection with Symmetry’s bad-faith, unfair, deceptive, and anti-competitive business practices.
2. GRDA, a state agency, is represented by the State of Oklahoma, *ex rel.* Gentner Drummond, Attorney General of the State of Oklahoma. The Attorney General is the chief law officer for the State and is authorized to commence this action pursuant to 74 O.S. § 18 *et seq.* and 79 O.S. §§ 203-205 as GRDA is a direct purchaser of commodities.
3. GRDA is Oklahoma’s largest public power utility. It produces electricity, using mainly natural gas as fuel, and transmits and delivers the generated electricity across its 24-county service

area in Northeast Oklahoma. GRDA transmits and sells electricity to municipalities, electric cooperatives, and various services and industries.

4. Symmetry is a Texas limited liability company with its principal place of business in Houston, Texas. At all relevant times, Symmetry was registered to do and was doing business in the State of Oklahoma as a natural gas marketer. Symmetry may be served through its registered agent for service, C T Corporation System, 1833 South Morgan Road, Oklahoma City, OK 73128.

### **JURISDICTION AND VENUE**

5. The State of Oklahoma is a sovereign state with the Attorney General enforcing public rights under Oklahoma statute and common law.

6. Jurisdiction is proper as the State of Oklahoma is a sovereign state under the United States Constitution, Article 11.

7. Jurisdiction is proper as Symmetry conducts business in Osage County and throughout Oklahoma and has deliberately engaged in significant acts and omissions within Oklahoma that have injured the GRDA. Symmetry purposefully directed its activities in Oklahoma and at its citizens, and the claims arise out of those activities.

8. Venue is proper as a substantial part of the allegations stated herein occurred in Osage County, and Symmetry owns assets in Osage County. 12 O.S. § 137.

### **FACTS**

#### **The Natural Gas Market**

9. The natural gas industry has three segments: the upstream segment, the midstream segment, and the downstream segment. The upstream segment includes exploration, development, drilling and completing wells, and ultimately production at the wellhead. The midstream segment involves the processes required to move the raw, produced natural gas from the wellhead to high-

pressure interstate or intrastate pipelines and includes gathering, compression, dehydration, treating, and processing to transform the raw gas into pipeline quality residue gas. The downstream segment involves moving the pipeline quality residue gas on large, high-pressure pipelines to end users such as power plants, industrial facilities, and retail customers.

10. Local power plants like those owned by GRDA that generate power using natural gas as fuel have relatively predictable needs for natural gas. As a result, the owners of such plants often enter into long-term contracts for the purchase and supply of their required volumes of residue gas. These contracts commonly contain “force majeure” clauses, which suspend the obligations of a party unable to perform due to acts of God or other specifically defined circumstances beyond the party’s control.

11. Consumers with more variable demand for natural gas will often purchase gas on the daily “spot” market.

#### **Regulation of Natural Gas Market in Oklahoma**

12. The Federal Energy Regulatory Commission (“FERC”) regulates *interstate* gas pipelines. The purpose of this regulatory scheme is to keep members of the natural gas industry from using their market power to charge consumers extremely high prices. FERC, however, lacks jurisdiction over *intrastate* pipelines.

13. Oklahoma is the nation’s fifth largest producer of natural gas and consumes less than 23% of the natural gas it produces. As a result, Oklahoma does not rely on gas imports. This allows certain market participants to confine their activities to extensive intrastate pipelines in Oklahoma that are not regulated by FERC.

14. As a result, Oklahoma’s intrastate natural gas market, including intrastate pipelines and marketers arranging purchases and sales of natural gas on such pipelines, is especially vulnerable

to manipulation. Such manipulation can cause natural gas and electricity prices to soar in comparison to interstate markets and other states where intrastate pipelines are subject to heightened legal scrutiny.

**GRDA Contract with CenterPoint/Symmetry**

15. On October 1, 2016, GRDA entered into a “Fuel Management Services Agreement” (hereinafter “FMSA”) with Symmetry, pursuant to which Symmetry agreed to “provide Gas supply or assist [GRDA] in the negotiation of all Gas Supply Agreements necessary to supply all Gas required by [GRDA] Facilities.” *See* Ex. 1: Fuel Management Services Agreement, Oct. 1, 2016, Section 2.3. Symmetry also agreed to assist GRDA in the negotiation of all gas transportation and storage agreements. FMSA, Section 2.2.

16. The FMSA further provides that Symmetry shall furnish the following services to GRDA:

2.4. Supply and Transportation Portfolio Planning.

(a) In connection with [Symmetry's] obligations under Section 2.3, and using information made available by [GRDA] and such other information as it deems necessary, Symmetry shall:

(i) analyze the Facilities' fuel requirements, the amount of power being generated and anticipated to be generated by the Facilities, the amount of Gas then being supplied under the Gas Supply Agreements, Gas Transportation Agreements and Gas Storage Agreements then in effect;

(ii) analyze regional gas supply and demand, sources, transportation, delivery, supply mechanisms and the regulatory structure with respect to additional Gas required by the Facilities;

(iii) prequalify Gas Suppliers, obtain and evaluate proposals, and recommend proposals to [GRDA] for additional Gas Supply Agreements and, if such proposals are approved by [GRDA], negotiate and obtain additional Gas Supply Agreements for the Facilities on behalf of [GRDA];

(iv) evaluate price risk management proposals, make recommendations to GRDA with respect to price risk management, and, if such recommendations are approved by [GRDA], negotiate and enter into such risk management arrangements on behalf of [GRDA];

(v) review existing and potential arrangements for transportation and storage of the Gas to be acquired, make recommendations to [GRDA] with respect to, such arrangements, and, if such recommendations are approved by [GRDA], negotiate and obtain necessary additional Gas Transportation Agreements and/or additional Gas Storage Agreements on behalf of [GRDA] . . .

17. The FMSA also contained a Force Majeure clause, stating:

If either party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than to make payments on obligations due hereunder, it is agreed that upon such party giving notice and full particulars of such Force Majeure to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party(ies), only insofar as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. Such cause shall, as far as possible, be remedied with all reasonable dispatch, except that settlement of strikes or lockouts shall be entirely within the discretion of the party having such difficulty.

*Id.* at p. 9.

18. The FMSA was amended on October 9, 2019, to extend the terms of the original FMSA through December 31, 2022. Ex. 2: Second Amend. to FMSA, Oct. 9, 2019.

#### **Winter Storm Uri**

19. In February 2021, extreme cold winter weather hit Oklahoma in what became known as “Winter Storm Uri.”

20. Extreme weather creates the ideal conditions for entities like Symmetry to engage in price manipulation because it provides a superficially plausible, pretextual explanation for why natural gas supplies are down and prices are up.

21. Weather is a major driver of changes in demand for natural gas, and industry members respond to its changes in the normal course of operation. Symmetry's core business of trading and marketing natural gas requires it to closely watch weather forecasts, a practice that also alerts it to opportunities to create and profit from artificial scarcity of supply. As a result, Symmetry was aware that Winter Storm Uri was approaching more than a month before it arrived. Symmetry knew that it would bring sustained below-freezing temperatures, and that it would increase demand for natural gas.

22. Armed with this knowledge, Symmetry used that time to prepare, but not in the way that was rightfully expected from it. Instead of ensuring adequate and fairly priced natural gas supplies to GRDA, upon information and belief, Symmetry spent the weeks and days before Winter Storm Uri's arrival in Oklahoma taking deliberate steps, which it continued after Winter Storm Uri's arrival, to reduce the availability of natural gas in Oklahoma. Symmetry did so with the objective of driving natural gas prices—and its resulting profits—exponentially higher, to the detriment of GRDA and everyone else in Oklahoma.

23. As a result of market manipulation by Symmetry, during Winter Storm Uri Oklahoma's natural gas prices ballooned exponentially compared to prices in states where gas transmission and transactions are subject to more stringent legal framework. For instance, during Winter Storm Uri, natural gas in Oklahoma reached prices that were 40 to 100 times those in Louisiana, a state also affected by this storm, but served by gas pipelines and traders that are regulated by FERC.

24. Upon information and belief, Symmetry used a variety of tactics for manipulating the natural gas market in Oklahoma during Winter Storm Uri. These tactics included, but were not limited to: (1) injecting natural gas into storage and refusing to withdraw natural gas already held in storage, thereby reducing the available supply in the face of increasing demand; (2) using force

majeure declarations to reduce pipeline deliveries to customers, which allowed Symmetry to sell natural gas on the spot market at higher prices instead; (3) diverting natural gas away from the intrastate pipeline serving GRDA's plant; and (4) reporting inflated trades to drive up prices affecting both physical and financial natural gas markets.

25. To put into context the ramifications of Symmetry's actions, from 2015 to 2019, natural gas prices at the ONEOK Gas Transportation Pool (Hereinafter "OGT") (a common Oklahoma Benchmark) averaged approximately \$2.55/MMBtu (and never exceeded \$35.52/MMBtu). During Winter Storm Uri, natural gas prices at the OGT Pool rose to over \$1230.65/MMBtu at unregulated nodes fed by intrastate pipelines. These astronomical prices would not have occurred without market manipulation.

26. Symmetry's efforts to create artificial supply scarcity did not stop when Winter Storm Uri arrived. They continued even after the scale of the crisis was apparent when thousands of beleaguered Oklahomans went without heat and/or electricity.

27. Starting at the beginning of February, upon information and belief, Symmetry began a concerted effort to limit the supply of natural gas within Oklahoma, as described herein. A substantial withholding of natural gas supply during a time of crisis creates artificial shortages leading to increased gas prices.

28. The storage facilities that are a part of the natural gas transportation system operate on an injection-withdrawal cycle that matches the weather-related demand for natural gas. During the warmer months, normally from April through November, when demand for natural gas is relatively low, gas is injected into the storage facilities. During the winter months, from November through March, gas is withdrawn.

29. However, both before and during Winter Storm Uri, Symmetry began injecting natural gas into storage rather than withdrawing it so that it would be available to meet the demand.

30. Winter Storm Uri entered Oklahoma on February 13, 2021.

31. Symmetry then sent a force majeure declaration letter to GRDA on February 15, 2021, claiming the supply of natural gas had been reduced as a result of the cold weather:

This letter serves as written notification of a Force Majeure event beginning February 15, 2021 and continuing until further notice due to failure of gas supply caused by extremely cold weather in the geographic region for which Symmetry Energy Solutions serves Grand River Dam Authority. These events have caused Symmetry Energy Solutions' supply to be cut and this Force Majeure event will result in the suspension of either full or partial deliveries under the base contract until further notice.

(See Letter attached hereto as Exhibit 3)

32. Symmetry used this force majeure letter as a pretext for reducing deliveries to GRDA at contracted rates and selling such natural gas for higher spot market prices instead.

33. While Symmetry achieved record profits, GRDA along with the Oklahoma public suffered losses and damage that continue today and going forward.

34. Through their false representations concerning a reduction in supply and/or the cause of such reduction, as alleged above, Symmetry fraudulently concealed facts material to GRDA's claims arising from Symmetry's conduct during Winter Storm Uri. Such conduct by Symmetry estops, tolls, or otherwise prevents the running of any statute of limitations with respect to GRDA's claims.

**FIRST CAUSE OF ACTION: VIOLATIONS OF THE OKLAHOMA ANTITRUST REFORM ACT (79 O.S. § 201, et seq.)**

For its First Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:



35. Symmetry has engaged in acts individually and in concert with others that unreasonably restrained trade in the natural gas market in Oklahoma.
36. Symmetry controlled large volumes of natural gas on the intrastate pipeline serving GRDA and in storage facilities directly or indirectly connected to that pipeline. As a result of its power in this market, Symmetry had the ability to control the supply of natural gas and the prices for such gas.
37. Symmetry used its market power to reduce supply and drive up prices, which restrained trade and injured competition for natural gas on the intrastate pipeline hooked to the GRDA plant.
38. Upon information and belief, Symmetry also used its market power to engage in anti-competitive price discrimination between related and outside entities such as GRDA.
39. Symmetry's actions harmed GRDA as a direct receiver of natural gas from Symmetry.
40. Symmetry's unreasonable restraint of trade and anti-competitive conduct harmed GRDA.
41. Symmetry's conduct negatively impacted the proper, fair, and just operation of the Oklahoma economy by artificially altering and manipulating the supply and cost of natural gas to GRDA and others.
42. Symmetry's actions caused damages to GRDA.
43. As a result of Symmetry's violation of the Oklahoma Antitrust Reform Act 79 O.S. § 201 et seq., GRDA has been damaged and is entitled to judgment against Symmetry, plus treble damages, costs, interest, attorney fees, punitive damages, and any and all other relief deemed appropriate by the Court.

**SECOND CAUSE OF ACTION: BREACH OF CONTRACT**

For its Second Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:

44. Pursuant to the FMSA, Symmetry owed GRDA a contractual duty to secure and maintain a reliable source of natural gas at fair and reasonable prices.

45. By virtue of the FMSA, Symmetry also owed GRDA a duty of good faith and fair dealing.

46. Symmetry breached these duties by, among other things, reducing the supply of natural gas, issuing force majeure declarations based on a manufactured reduction of supply in order to sell gas at escalating spot prices rather than fixed prices under existing contracts, and selling gas to GRDA at an unconscionable profit.

47. As a result of Symmetry's breach of the FMSA, GRDA has been damaged and is entitled to specific, consequential, incidental, and indirect damages and any and all other relief deemed appropriate by the Court.

#### **THIRD CAUSE OF ACTION: UNJUST ENRICHMENT**

For its Third Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:

48. Symmetry's actions and inactions in anticipation and during Winter Storm Uri through manipulating the supply and price of natural gas paid for by GRDA were unjust and unlawful.

49. Symmetry has benefitted from its unlawful and anti-competitive acts by reaping unjust profits as a result of its market manipulation.

50. It is unjust for Symmetry to retain the benefits of its actions.

51. Symmetry should not be allowed to retain the economic benefit derived from its improper conduct and should be ordered to disgorge its ill-gotten gains.

#### **FOURTH CAUSE OF ACTION: FRAUD**

For its Fourth Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:

52. Symmetry made representations to GRDA concerning the reduction in available supply of natural gas and the cause of such reduction, which Symmetry knew to be false.

53. Symmetry intended for GRDA to rely upon and GRDA did rely upon Symmetry's misrepresentations to GRDA's detriment.

54. As a result of Symmetry's fraud, GRDA has been damaged and is entitled to judgment against Symmetry, plus costs, interest, attorney fees, punitive damages, and any and all other relief deemed appropriate by the Court.

#### **FIFTH CAUSE OF ACTION: CONSTRUCTIVE FRAUD**

For its Fifth Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:

55. Due to the relationship between Symmetry and GRDA, Symmetry had a duty to fully and honestly disclose the true nature of the available supply of natural gas, the reasons for any reduction in such supply, and the escalation in prices.

56. Symmetry breached such duty by concealing information concerning the supply and pricing of natural gas, misleading GRDA to its detriment.

57. As a result of Symmetry's constructive fraud, GRDA has been damaged and is entitled to judgment against Symmetry, plus costs, interest, attorney fees, punitive damages, and any and all other relief deemed appropriate by the Court.

#### **SIXTH CAUSE OF ACTION: BAD FAITH BREACH OF CONTRACT**

For its Sixth Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:

58. GRDA was in a contractual relationship with Symmetry for the supply of natural gas to GRDA.

59. The trust and confidence GRDA placed in Symmetry, coupled with GRDA's lack of knowledge concerning Symmetry's activities and the disparity of bargaining power during the relevant time period, created a special relationship between the parties.

60. As a result of this special relationship, Symmetry owed GRDA a duty of good faith and fair dealing.

61. Symmetry breached its duty of good faith and fair dealing, and instead acted in bad faith toward GRDA, damaging GRDA and for which GRDA is entitled to judgment against Symmetry, including punitive damages, and any and all other relief deemed appropriate by the Court.

#### **SEVENTH CAUSE OF ACTION: NEGLIGENCE**

For its Seventh Cause of Action against Symmetry, GRDA adopts and incorporates all of the preceding allegations and further alleges:

62. Symmetry owed a duty to GRDA to ensure a consistent and adequate supply of natural gas to GRDA at reasonable prices.

63. Symmetry breached this duty by not only taking steps to artificially reduce the available supply, but also engaging in conduct creating circumstances leaving GRDA with no alternative but to purchase gas at unconscionable prices.

64. GRDA sustained injury and damage as a result, entitling GRDA to judgment against Symmetry, including punitive damages, and all other relief deemed appropriate by the Court.

#### **EIGHTH CAUSE OF ACTION: BREACH OF FIDUCIARY DUTY**

For its Eighth Cause of Action against Symmetry, Plaintiff adopts and incorporates all of the preceding allegations and further alleges:

65. The relationship between GRDA and Symmetry was one in which GRDA reasonably placed its trust and confidence in Symmetry.

66. Symmetry had superior access to information relating to the claims herein.
67. Under the circumstances, Symmetry had superior bargaining power over GRDA.
68. Symmetry was in a fiduciary relationship with GRDA.
69. As a fiduciary, Symmetry was:
- a. held accountable to GRDA;
  - b. held to a high degree of good faith in its dealings;
  - c. not permitted to make use of the fiduciary relationship to realize unauthorized benefits or profits furthering its own interest at the expense of GRDA's.
70. Symmetry used its position as a fiduciary to wrongfully reap staggering profits.
71. Symmetry breached its fiduciary duties to GRDA by engaging in the conduct described herein.
72. Symmetry's breach of its fiduciary duties to GRDA was the direct cause of GRDA's damages. As a result, GRDA is entitled to judgment against Symmetry, including punitive damages, and all other relief deemed appropriate by the Court.

WHEREFORE, GRDA prays for judgment against Symmetry in an amount in excess of \$75,000.00, plus treble damages, disgorgement, punitive damages, attorney fees, costs, and any other relief deemed just and equitable by the Court.

**GENTNER DRUMMOND**  
**ATTORNEY GENERAL OF OKLAHOMA**

By: \_\_\_\_\_



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# Exhibit 1



## FUEL MANAGEMENT SERVICES AGREEMENT

This Fuel Management Services Agreement (the "Agreement"), dated as of October 1, 2016, is made and entered into by and between the Grand River Dam Authority ("GRDA"), a governmental agency of the State of Oklahoma ("Owner") and CenterPoint Energy Services, Inc., an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc. [NYSE: CNP] ("Manager").

### RECITALS

Owner owns 36% of a natural gas fired electric generating plant near Luther, Oklahoma ("Redbud") and 100% of a natural gas fired electric generating plant near Pryor, Oklahoma ("GREC3") (collectively, and along with the option by Owner to add further natural gas fired electric generating plant(s) to this Agreement per the prior written agreement of the parties, the "Facilities").

Owner desires to enter into this Agreement with Manager pursuant to which Manager will provide fuel management services to the Facilities as more fully set forth herein.

Manager is willing to provide the services set forth herein, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Owner and Manager agree as follows:

### A R T I C L E I

#### DEFINITIONS

- 1.1. Definitions. As used in this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under common control with such Person (excluding any trustee or fiduciary under or committee in charge of administering any ERISA Plan). A Person is deemed to be "controlled by" another Person if such other Person possesses, directly or indirectly, power (i) to vote more than 50% of the securities having ordinary voting power to elect a majority of the board of directors, the managing general partner or similar managing authority or (ii) to direct the management of such Person.

"Bankruptcy Event" means, with respect to any Person, (i) the institution by such Person of a voluntary case seeking liquidation or reorganization under the Bankruptcy Law, (ii) the consent by such Person to the institution against it of an involuntary case seeking liquidation or reorganization under the Bankruptcy Law, (iii) the application by such Person for, or the consent of such Person to, the appointment of a receiver, liquidator, sequestrator, trustee or other officer with similar powers for such Person, or (iv) the institution against such Person of an involuntary case for liquidation or reorganization under the Bankruptcy Law if such involuntary case is not dismissed within sixty (60) days after its filing.

"Bankruptcy Law" means Title 11 of the United States Code.

"Business Day" means a day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or required by law to be closed.

"Effective Date" shall mean January 1, 2017.

"Facilities" shall have the meaning set forth in the Recital of this Agreement. Owner has the right to add additional locations with Manager's mutual agreement during the term of this agreement.

"Force Majeure" means any act, event or circumstance beyond the reasonable control of, and not due to the negligence or greater fault of the affected Person, including (i) acts of God or the elements, fires, floods, lightning, landslides, earthquakes, hurricanes, tornadoes or unusually severe weather conditions, (ii) riots or other civil disturbance, accidents, sabotage, explosions or theft, (iii) injunctions, embargoes, actions by governmental entities or inability to obtain or delay in obtaining permits or other approvals, (iv) shortages or unavailability of equipment, material or labor, or unavailability of gas transportation or electric transmission capacity, (v) interruptions of gas supply or transportation or interruptions of electric supply or transmission, and (vi) strikes, lockouts, slowdowns and other labor disturbances.

"Gas" shall mean natural gas conforming to the specifications of each of the pipeline companies transporting natural gas to the Facilities.

"Gas Storage Agreements" shall mean the contracts and agreements to be entered into by Owner for the storage of Gas to be used by the Facilities as amended from time to time.

"Gas Suppliers" shall mean the suppliers of Gas used at the Facilities pursuant to the Gas Supply Agreements.

"Gas Supply Agreement" shall mean the contracts, purchase orders and other agreements to be entered into by Owner with respect to the supply of Gas to the Facilities, as amended from time to time.

"Gas Transportation Agreements" shall mean the contracts and agreements to be entered into by Owner for the transportation of Gas to be used by the Facilities, as amended from time to time.

"Indemnified Party" shall have the meaning set forth in Section 3.2 hereof.

"Indemnifying Party" shall have the meaning set forth in Section 3.2 hereof.

"Indemnitees" shall have the meaning set forth in Section 3.1 hereof.

"Legal Requirements" means any law, statute, code, ordinance, rule, regulation, order,

judgment, permit or license requirement or condition, or guideline or directive of any governmental entity.

“MMBtu” means one million British Thermal Units.

“OOA” means Redbud Generating Facility Ownership and Operating Agreement by and among Grand River Dam authority, Oklahoma Gas and Electric Company and Oklahoma Municipal Power Authority.

“Subsidiary” means, with respect to any Person, any corporation, partnership or other Person of which more than 50% of the outstanding capital stock or other comparable ownership interest having ordinary voting power to elect a majority of the board of directors, the managing general partner or similar managing authority is owned directly or indirectly by such Person, by such Person and one or more wholly owned Subsidiaries of such Person or by one or more other wholly owned Subsidiaries of such Person.

## A R T I C L E   I I

### SERVICES

- 2.1. Gas Supply Arrangements. Manager will provide Gas supply or assist Owner in the negotiation of all Gas Supply Agreements necessary to supply all Gas required by the Facilities. Manager will, subject to Owner’s direction, act as Owner’s lead negotiator with the Gas Suppliers, and will handle the negotiations and drafting of the Gas Supply Agreements, subject to Owner’s review and approval. All Gas Supply Agreements will be entered into by and in the name of Owner and must be approved by Owner prior to execution. The Gas Supply Agreements will provide a reliable Gas supply for the Facilities, including diversified gas supply sources that are geographically diverse, that originate with diverse ownership interests and that provide flexible take obligations.
- 2.2. Gas Transportation Agreements. Manager will assist Owner in the negotiation of all Gas Transportation Agreements, including related operational balancing and other similar agreements, and all Gas Storage Agreements necessary or appropriate to transport all Gas purchased under the Gas Supply Agreements to the Facilities.
- 2.3. Fuel Management. Manager shall furnish to Owner the following services in connection with the supply, transportation and storage of Gas to be used by the Facilities:
  - (a) negotiation of Gas Supply Agreements and Gas Transportation Agreements;
  - (b) at request by Owner, but not more often than monthly, Manager shall review and provide guidance on Owner’s monitoring and administration of all Gas Supply Agreements, Gas Transportation Agreements and price risk management for the Facilities;
  - (c) at request by Owner, but not more often than monthly, Manager shall review and provide guidance on Owner’s transportation scheduling, transportation balancing, transportation imbalance reconciliation, proposals for utilization

of excess transportation capacity through scheduling and relinquishment and through sales to third parties at alternate delivery points, compliance with pipeline operational orders, general operational and planning advice;

- (d) at request by Owner, but not more often than quarterly, Manager shall review and provide guidance on Owner's monitoring of pipeline tariff filings in consultation with Owner's, consultants and legal Counsel and intervention, at the request and expense of Owner, in the applicable FERC hearings and provision of testimony;
- (e) Manager shall provide Owner with up to 10,000 MMBtu of weekend load shaping each weekend of the year at no additional cost to Owner;
- (f) such other services as are necessary and incidental to performance of the foregoing services described in this Section 2.3 (a) through (c) above. It is specifically agreed that Owner's personnel shall be responsible for the day-to-day duties associated with paragraphs (c), (d), and (e) of this Section 2.3.

#### 2.4. Supply and Transportation Portfolio Planning.

- (a) In connection with the Manager's obligations under Section 2.3, and using information made available by Owner and such other information as it deems necessary, Manager shall:
  - (i) analyze the Facilities' fuel requirements, the amount of power being generated and anticipated to be generated by the Facilities, the amount of Gas then being supplied under the Gas Supply Agreements, Gas Transportation Agreements and Gas Storage Agreements then in effect;
  - (ii) analyze regional gas supply and demand, sources, transportation, delivery, supply mechanisms and the regulatory structure with respect to additional Gas required by the Facilities;
  - (iii) prequalify Gas Suppliers, obtain and evaluate proposals, and recommend proposals to Owner for additional Gas Supply Agreements and, if such proposals are approved by Owner, negotiate and obtain additional Gas Supply Agreements for the Facilities on behalf of Owner;
  - (iv) evaluate price risk management proposals, make recommendations to Owner with respect to price risk management, and, if such recommendations are approved by Owner, negotiate and enter into such risk management arrangements on behalf of Owner;
  - (v) review existing and potential arrangements for transportation and storage of the Gas to be acquired, make recommendations to Owner with respect to, such arrangements, and, if such recommendations are approved by Owner, negotiate and obtain necessary additional Gas Transportation Agreements and/or additional Gas Storage Agreements on behalf of Owner; and

- (b) Notification by Owner. Owner shall use all reasonable efforts to provide Manager with prompt notice of all information regarding startups or shutdowns of the Facilities, including, but not limited to (A) maintenance not scheduled, (B) forced outages, (C) scheduled outages, and (D) any other relevant information or event which may impact the quantities of Gas to be provided to the Facilities
- (c) In connection with the services provided by Manager under Article II of this Agreement, Manager will, except as otherwise agreed by the parties, provide Owner with copies of all reasonable proposals it receives from third parties for the supply, transportation, or storage of Gas for the Facilities and such other relevant information in Manager's possession as Owner may reasonably request from time to time.

2.5. Appointment of Manager as Owner's Manager.

- (a) Subject to prior written agreement between Owner and Manager and the limitations set forth in Article VIII, Owner may appoint Manager as its Manager to negotiate and, upon the approval of Owner, enter into additional agreements as Manager of Owner for the purchase, storage or transportation of Gas on the terms and subject to such conditions as Owner may approve.
- (b) Owner and Manager shall notify all existing and future Gas Suppliers and all applicable transportation and storage providers of the foregoing agency agreement promptly after Owner and Manager execute the agency agreement and shall, to the extent required by such suppliers or operators, enter into an agency designation agreement in form and substance reasonably acceptable to Owner and Manager confirming such agency for purposes of any such agreement (the "Agency Designation Agreements"). Owner and Manager shall, immediately upon expiration or early termination of this agency agreement, notify the applicable entities that such agency has terminated. The Agency Designation Agreements and any notice to Gas Suppliers and others of the existence of the agency shall state that either Owner or Manager, acting alone, may give notice to such party terminating the agency. The appointment of Manager (and any permitted subcontractor) as Manager shall terminate automatically and without prior notice upon termination of this Agreement for whatever reason.

2.6. Owner Approval of Fuel Arrangements. All of the Gas Supply Agreements, Gas Transportation Agreements, interconnection agreements and any other necessary agreements related to the supply of Gas for the Facilities will be entered into in the name of the Owner. Owner will be responsible for all costs and charges under the Gas Supply, Transportation Agreements, interconnection agreements and other agreements.

2.7. OOA Agreement and Conflicting Obligations. Manager agrees that Owner is a party to the OOA, and that the OOA will continue to remain in force and effect throughout the term of this Agreement. In the event that Owner, in good faith, represents to Manager that any provision(s) of this Agreement conflicts with any gas-related provision of the OOA,

Owner shall notify Manager in writing of the precise nature of the conflict, and produce the relevant portion of the OOA to Manager for review. Owner will, at all times, operate in good faith in its interpretation of the OOA vis-à-vis any impact the OOA may have on this Agreement, and to the extent practicable, comply with all of the terms of the OOA and this Agreement. Notwithstanding any other provision in this Agreement, nothing in this Agreement will prevent, inhibit, frustrate or otherwise limit Owner's performance of the OOA

## A R T I C L E   I I I

### I N D E M N I F I C A T I O N

#### 3.1. Indemnity.

- (a) Manager hereby indemnifies and holds harmless Owner and its Affiliates, directors, officers, employees, successors and assigns, from and against any and all liabilities, judgments, claims, settlements, losses, damages, fees, liens, taxes, penalties, obligations and expenses incurred or suffered by any such Person directly or indirectly arising or resulting from (i) Manager's gross negligence or willful misconduct in connection with Manager's performance of its duties hereunder, (ii) Manager's willful failure to perform its duties hereunder, or (iii) Manager's failure to obtain Owner's prior approval to one or more of the agreements with third parties contemplated hereunder which require Owner's prior approval, provided Owner has not ratified or accepted the benefits of the applicable agreement and provided that Owner has taken all commercially reasonable steps to limit or reduce losses arising in connection with the applicable agreement.
- (b) To the extent allowed by Oklahoma law, Owner hereby indemnifies and holds harmless Manager and its Affiliates, directors, officers, employees, successors and assigns from and against any and all liabilities, judgments, claims, settlements, losses, damages, fees, liens, taxes, penalties, obligations and expenses incurred or suffered by any such person directly or indirectly arising or resulting from (i) Owner's gross negligence or willful misconduct in connection with Owner's performance of its duties hereunder, (ii) Owner's willful failure to perform its duties hereunder, or (iii) the development, ownership and operation of the Facilities, including the construction and operation of pipelines contemplated hereunder and the supply, marketing and other agreements contemplated by this Agreement, other than any agreement for which Manager is responsible to indemnify Owner pursuant to Section 3.1(a) above.
- (c) The Indemnifying Party, to the extent allowed by Oklahoma law, shall have the right, at its option and at its own expense, to be represented by counsel of its choice and to participate in, or to take exclusive control of, the defense, negotiation and/or settlement of any proceeding, claim or demand which relates to any amounts indemnifiable or potentially indemnifiable under this Article III; provided, however, that the Indemnified Party may participate in any such proceeding with counsel of its choice, which shall be at its own expense, unless the

Indemnifying Party does not pursue with reasonable diligence such defense, negotiation or settlement. The Indemnified Party shall have a right to notice of any settlement, and the Indemnifying Party shall not execute or otherwise agree to any settlement agreement or consent decree which provides for other than monetary payment (including, but not limited to any with admission of liability, restrictions of business activities or criminal, civil or administrative penalties) without the Indemnified Party's prior written consent, which consent will not be unreasonably withheld. Notwithstanding the foregoing, the Indemnified Party shall have the right to pay or settle any such claim, provided that in such event it shall waive any right to indemnity therefore by the Indemnifying Party, unless such payment or settlement follows the failure of the Indemnifying Party to assume the defense of such claim, in which case such payment or settlement will not result in any waiver of any right of indemnity with respect thereto. If the Indemnifying Party elects not to defend or settle such proceeding, claim or demand and the Indemnified Party defends, settles or otherwise resolves any such proceeding, claim or demand, which settlement may be without the consent of the Indemnifying Party, the Indemnified Party shall provide ten (10) days' advance written notice of any settlement to the Indemnifying Party and will act reasonably and in accordance with its good faith business judgment, but such settlement by the Indemnified Party shall not relieve the Indemnifying Party of any of its obligations or liabilities hereunder, including its obligation to indemnify the Indemnified Party for the costs of such defense and settlement. The parties shall cooperate fully with each other in connection with the defense, negotiation or settlement of any such legal proceeding, claim or demand.

- (d) To the extent allowed by Oklahoma law, after final judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction and the expiration of the time in which to appeal there from, or a settlement shall have been consummated, or the Indemnifying Party and the Indemnified Party shall have arrived at a mutually binding agreement with respect to each separate matter indemnified by the Indemnifying Party, the Indemnified Party shall forward to the Indemnifying Party notice of any sums due and owing by the Indemnifying Party with respect to such matter and the Indemnifying Party shall pay all of the sums so owing to the Indemnified Party within ten (10) days after the date of such notice.

- 3.2. Notices. In case any claim or litigation which might give rise to any obligation of a party under this Article III (each an "Indemnifying Party") shall come to the attention of the party seeking indemnification hereunder (the "Indemnified Party"), the Indemnified Party shall promptly notify the Indemnifying Party in writing of the existence and amount thereof. The Indemnifying Party shall promptly notify the Indemnified Party in writing if it accepts such claim or litigation as being within its indemnification obligations under this Article III. Such response shall be delivered no later than thirty (30) days after the initial notification from the Indemnified Party provided however, that if the Indemnifying Party reasonably cannot respond to such notice within thirty (30) days, the Indemnifying Party shall respond to the Indemnified Party as soon thereafter as reasonably possible. A failure to give timely notice as provided in this Section 3.2 will not affect the rights or obligations of any party hereunder except if, and only to the extent that, as a result of such failure, the party which was entitled to receive such notice was actually prejudiced as a result of such failure.

- 3.3. Applicability. Subject to Section 3.5 below, the provisions of this Article III shall apply notwithstanding the sole, joint or concurrent negligence, strict liability or other fault of the Indemnified Party. If both the Indemnified Party and the Indemnifying Party are adjudicated negligent or otherwise at fault or strictly liable without fault, the contractual indemnification obligations under this Article III shall, subject to Section 15, continue, but the Indemnifying Party shall only indemnify the Indemnified Party for the percentage of responsibility for the damage or injuries adjudicated to be attributable to the Indemnifying Party.
- 3.4. Limitation on Damages. To the extent allowed by Oklahoma law, in no event shall the indemnification obligations under this Article III or any other losses, expenses or damages recoverable by any party hereunder cover or include consequential, incidental, special, indirect or punitive damages or lost profits suffered by any party hereto, whether based on statute, contract, tort or otherwise, and whether or not arising from the Indemnifying Party's sole, joint or concurrent negligence, strict liability or other fault.
- 3.5. Acknowledgement. Manager agrees and acknowledges that Owner states that it is an agency of the State of Oklahoma and as such may be subject to the Oklahoma Tort Claims Act, 51 O.S. §§ 15, *et seq.*, and, to the extent allowed by law, Owner does not waive any right or protection it has pursuant to this Act.

#### A R T I C L E   I V

##### PAYMENT, COMPENSATION AND EXPENSES

- 4.1. Management Fees. In consideration of the foregoing services, Manager will be compensated as described on Exhibit A attached hereto.
- 4.2. Payments to Suppliers, Transporters and Storage Operators. Owner shall be responsible for remitting payment to all Gas Suppliers and any and all pipelines and other transporters or storage operators utilized hereunder to serve the Facilities.

#### A R T I C L E   V

##### REPRESENTATIONS AND WARRANTIES

- 5.1. Manager Representation and Warranties. Manager represents and warrants that
- (i) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Oklahoma and is in good standing in each jurisdiction in which such qualification or licensing is necessary because of the property owned, leased or operated by it or because of the nature of its business as now being conducted,
  - (ii) Manager has full corporate power and authority to execute and deliver this



Agreement and to perform its obligations hereunder,

(iii) the execution, delivery and performance of this Agreement has been duly authorized by Manager and this Agreement constitutes the valid and binding obligation of Manager, enforceable against Manager in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by equitable principles of general applicability.

5.2 Owner Representations and Warranties. Owner represents and warrants that

(i) it is a governmental agency of the State of Oklahoma, body politic and corporate pursuant to 82 O.S. §§ 861 *et seq.*,

(ii) Owner has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder,

(iii) the execution, delivery and performance of this Agreement has been duly authorized by Owner and this Agreement constitutes the valid and binding obligation of Owner, enforceable against Owner in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by equitable principles of general applicability.

## ARTICLE VI

### FORCE MAJEURE

- 6.1. Suspension of Obligation. If either party hereto is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than to make payments on obligations due hereunder, it is agreed that upon such party giving notice and full particulars of such Force Majeure to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party(ies), only insofar as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. Such cause shall, as far as possible, be remedied with all reasonable dispatch, except that settlement of strikes or lockouts shall be entirely within the discretion of the party having such difficulty.

## ARTICLE VII

### TERM AND TERMINATION

- 7.1. Term. This Agreement shall be in effect on the Effective Date. The "Initial Term" of this Agreement shall be January 1, 2017 to December 31, 2017. This Agreement shall, after the end of the Initial Term, renew automatically in one year increments thereafter (each such renewal, a "Renewal Term").

(a) Initial Term. This Agreement shall not be terminated by either Party during the

Initial Term, unless any such termination is for cause. Either Party may, by giving the other Party at least sixty (60) day's written Notice prior to the end of the Initial Term, terminate the Agreement upon the end of the Initial Term.

(b) Renewal Term. This Agreement may be terminated during any Renewal Term for convenience by giving the other Party at least sixty (60) days' written Notice of such termination. This Agreement shall terminate upon the end of such sixty (60) day period during any such Renewal Term. Notwithstanding the foregoing, this Agreement's termination during any such Renewal Term will not terminate purchase and sales obligations agreed to by Owner and Manager, as described on Exhibit A.

- 7.2. Termination upon Notice by Manager. If Owner (a) fails to make any payment due to Manager hereunder within twenty (20) days after such payment shall have become due or (b) fails, for reasons other than Force Majeure, to perform any of the material covenants or obligations imposed upon it under and by virtue of this Agreement and in the case of a default under (b) does not remedy or cure such default (and the effects thereof) within thirty (30) days after receipt of written notice thereof from Manager (or within such longer period as may be reasonably necessary after receipt of such notice, in the case of defaults not susceptible of cure within thirty (30) days, so long as Owner commences and diligently seeks to cure such default within such thirty (30) day period), then Manager may, by written notice to Owner, terminate this Agreement.
- 7.3. Termination upon Notice by Owner. If Manager (a) acts, in a material way, outside of the authority granted to it by Owner in this Agreement or (b) fails, for reasons other than Force Majeure, to perform any of the material covenants or obligations imposed upon it under and by virtue of this Agreement and in the case of a default under (b) does not remedy or cure such default (and the effects thereof) within thirty (30) days after receipt of written notice thereof from Owner (or within such longer period as may be reasonably necessary after receipt of such notice, in the case of defaults not susceptible of cure within thirty (30) days, so long as Manager commences and diligently seeks to cure such default within such thirty (30) day period), then Owner may, by written notice to Manager, terminate this Agreement.
- 7.4. Termination Upon Certain Other Events. Either party may terminate this Agreement by written notice to the other party if (a) all or any material part of the Facilities is destroyed or suffers damage in excess of \$100,000,000 and is not rebuilt and in commercial operation within twenty-four (24) months after such damage or destruction, (b) the Facilities cannot be operated for a period of at least eighteen (18) consecutive months as a result of a Force Majeure event, (c) Owner determines to permanently shut down the Facilities, or (d) a Bankruptcy Event occurs with respect to the other party.
- 7.5. Effect of Termination. Any termination of this Agreement pursuant to provisions of this Article VII shall be without prejudice to the rights of Manager to collect any amounts then due for services rendered prior to the time of termination, and without waiver of any and all other remedies, including rights of set-off, to which the party not in default may be entitled for violations of this Agreement by the defaulting party.

ARTICLE VIII

LIMITATIONS ON AGENCY

- 8.1 Limitations on Agency. Except as specifically provided in 2.5 above, Manager is not authorized to, and shall not, without prior consent of Owner:
- (a) enter into any agreements for the sale of Gas or the transportation or storage of Gas on behalf of or in the name of Owner;
  - (b) enter into any hedging transaction on behalf of or in the name of Owner;
  - (c) agree to any amendment or modification to any provision in any agreement to which Owner is a party;
  - (d) enter into any agreement or any amendment, supplement or modification of any agreement, in any manner inconsistent with or in violation of this Agreement or applicable law; or
  - (e) grant or create any lien or other encumbrance on any of Owner's Gas or any portion of the Agreement.

ARTICLE IX

MISCELLANEOUS PROVISIONS

- 9.1. Entire Agreement. This Agreement, the schedules and exhibits attached hereto and the agreements, instruments, certificates and other documents delivered in connection with this Agreement contain the entire agreement among the parties with respect to the transactions contemplated by this Agreement and supersede all prior agreements or understandings among the parties.
- 9.2. Descriptive Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.
- 9.3. Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed sufficiently given if delivered personally or by recognized private delivery service (such as Federal Express or CEL), sent by telecopy (with confirmation of receipt), or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Owner, to:

Grand River Dam Authority  
Attn: General Manager  
P.O. Box 409  
Vinita, OK 74301  
Telephone: (918) 256-5545  
Telecopier: (918) 256-2903

If to Manager, to:

CenterPoint Energy Services, Inc.

6100 S Yale, Suite 200  
Tulsa, OK 74136  
Attn: Shon Purcell  
Telephone: (918) 477-3422  
Email: [shon.purcell@centerpointenergy.com](mailto:shon.purcell@centerpointenergy.com)

with a copy to:  
CenterPoint Energy Services, Inc.  
1111 Louisiana Street, CNPT2039  
Houston, Texas 77002  
Attn: Larry Kunkle  
Telephone: (713) 207-2911  
Email: [larry.kunkle@centerpointenergy.com](mailto:larry.kunkle@centerpointenergy.com)

or to such other address or telecopy number as the party to whom notice is to be given may have furnished to the other party in writing in accordance herewith. Each such notice, request or communication shall be effective when received or, if given by mail, when delivered at the address specified in this Section 9.3 or on the fifth business day following the date on which such communication is posted, whichever occurs first.

- 9.4. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.
- 9.5. Benefits of Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement is for the sole benefit of the parties hereto and not for the benefit of any third party.
- 9.6. Amendments and Waivers. No modification, amendment or waiver, of any provision of, or consent required by, this Agreement, or any consent to any departure from this Agreement, shall be effective unless it is in writing and signed by the parties hereto. Such modification, amendment, waiver or consent shall be effective only in the specific instance and for the purpose for which given.
- 9.7. Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable by either party hereto without the prior written consent of the other parties hereto. Notwithstanding the foregoing no such assignment or disposition shall relieve or discharge Owner or its permitted successors and assigns from the performance of their duties and obligations under this Agreement. Manager agrees to execute and deliver such documents as may be reasonably necessary to accomplish any such assignment, transfer, conveyance, pledge or disposition of rights hereunder so long as Manager's rights under this Agreement are not thereby altered, amended, diminished or otherwise impaired.
- 9.8. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma, without regard to conflict of laws principles.

- 9.9 Venue. Venue shall be proper in any court of competent jurisdiction located within the State of Oklahoma for the purpose of all legal proceedings arising out of or relating to this Agreement or transactions contemplated hereby.
- 9.10. Further Assurances. If either party reasonably determines or is reasonably advised that any further instruments or any other things are necessary or desirable to carry out the terms of this Agreement, the other party shall execute and deliver all such instruments and assurances and do all things reasonably necessary and proper to carry out the terms of this Agreement.
- 9.11. Implied Waiver. Failure of either party to exercise any right to enforce any provision, or to require strict performance by the other party of any provision, shall not release the other party from any of its obligations under this Agreement and shall not operate as a waiver of any right to insist upon strict performance, or of either party's rights or remedies under this Agreement or at law.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered as of the day and year first above written.

GRAND RIVER DAM AUTHORITY

By: 

Name: Daniel S. Sullivan

Title: Chief Executive Officer

CENTERPOINT ENERGY SERVICES, INC.

By: 

Name: SHAWN P. PUCCIO

Title: 

Exhibit "A"

OPERATING TERM SHEET To  
Fuel Management Agreement Dated October 1, 2016

Number: 1

Confirmation Date: October 31, 2016

Owner Name: Grand River Dam Authority

Management Fee: \$0.03 per MMBtu charge on all Gas delivered to Facilities, and their associated storage and transport agreements.

Cash Contract Price: A monthly price in \$ per MMBtu equal to the weighted average cost of Gas plus Management Fee plus any applicable transport, storage and fuel charges.

All direct supply transactions will be confirmed and contracted under the NAESB dated September 22, 2008.

Initial Term: January 1, 2017 to December 31, 2017.

Renewal Term: Per annum, beginning January 1, 2018.

Facilities: Redbud, GREC3

Special Provision:

1. All forward transactions previously confirmed, shall be charged the new Management Fee for Gas that flows during the term of this confirmation.
2. Owner has the right to enter into forward physical purchase agreements with Manager under the NAESB at a mutually agreed location and price or pricing formula. In the event that those purchases extend beyond this Agreement's then-current term, this Agreement will be in full effect for those specified volumes and will be deemed Firm purchases.

GRAND RIVER DAM AUTHORITY

By: 

Name: Daniel S. Sullivan

Title: Chief Executive Officer

CENTERPOINT ENERGY SERVICES, INC.

By: 

Name: Shawn P. Purcell

Title:   
DIRECTOR

## Exhibit 2

**SECOND AMENDMENT TO  
FUEL MANAGEMENT SERVICES AGREEMENT**

This Second Amendment to the Fuel Management Services Agreement between the Grand River Dam Authority, an agency of the State of Oklahoma created and existing pursuant to 82 O.S. § 861, *et seq.* (hereinafter "GRDA"), and CenterPoint Energy Services, Inc., an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc. [NYSE: CNP] ("CenterPoint") ("Second Amendment") is made and entered into on the 9<sup>th</sup> day of October, 2019.

WHEREAS, on October 1, 2016, GRDA and CenterPoint entered into that certain Fuel Management Services Agreement ("FMSA") authorizing CenterPoint to provide fuel management services to GRDA in exchange for an established fee; and

WHEREAS, pursuant to the original language of the FMSA, the FMSA's Initial Term began on January 1, 2017, and ended on December 31, 2017; and

WHEREAS, on September 29, 2017, the parties entered into the First Amendment to the Fuel Management Services Agreement ("First Amendment"); and

WHEREAS, pursuant to the First Amendment: (1) the term of the FMSA was extended to December 31, 2019; and (2) attachment A-1 to the First Amendment was made applicable to the FMSA in lieu of the original FMSA Exhibit A, beginning on January 1, 2018, and ending on December 31, 2019; and

WHEREAS, the parties have agreed to amend and renew the FMSA, as more particularly described by this Amendment;

Therefore, the Parties agree as follows:

1. Modification of Term.
  - a. Paragraph 1 in the First Amendment (modifying Paragraph 7.1 in the FMSA) is hereby deleted in its entirety, and
  - b. Paragraph 7.1 of the FMSA is hereby deleted in its entirety, and replaced with the following:

"7.1. Term. This Agreement shall become effective on January 1, 2017, and shall terminate on December 31, 2022, unless otherwise renewed by GRDA. Provided, GRDA may extend the term of this Agreement by up to two additional whole years (resulting in a termination date of no later than December 31, 2024) by providing written notice of such extension to Manager at least 30 days prior to December 31, 2022 ("Renewal Option")."
2. Applicability and Term of Exhibit A-2. For the period of January 1, 2020, through December 31, 2022, the terms of the attached Exhibit A-2, the contents of which are hereby incorporated by reference, will apply in lieu of the Exhibit A attached to the FMSA. Provided, if GRDA exercises its Renewal Option, the terms of the attached



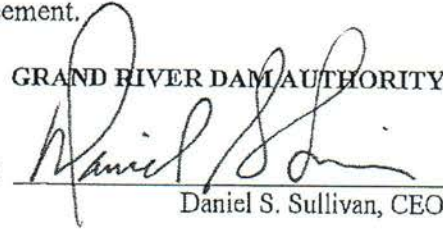
Exhibit A-2 will apply in lieu of the Exhibit A attached to the FMSA for the duration of the contractual term established by the Renewal Option.

3. Each of the remaining terms in the FMSA shall remain unchanged.

**IN WITNESS WHEREOF**, GRDA and CenterPoint have executed this Second Amendment to Fuel Management Services Agreement.

**GRAND RIVER DAM AUTHORITY**

By:

  
Daniel S. Sullivan, CEO *js*

**CENTERPOINT ENERGY SERVICES, INC.**

By:



Exhibit "A-2"

OPERATING TERM SHEET to the  
Fuel Management Agreement Dated October 1, 2016, as amended by the First Amendment to Fuel  
Management Services Agreement, Dated September 29, 2017, and by the Second Amendment to the  
Fuel Management Services Agreement, Dated October 9, 2019.

**Owner Name:** Grand River Dam Authority

**Management Fee:** \$0.015 per MMBtu charge on all Gas delivered to Facilities, and their  
associated storage and transport agreements.

**Cash Contract Price:** A monthly price in \$ per MMBtu equal to the weighted average cost of  
Gas plus Management Fee plus any applicable transport, storage and fuel  
charges.

All direct supply transactions will be confirmed and contracted under the  
NAESB dated September 22, 2008.

**Term:** The initial term of this Exhibit A-2 will commence on January 1, 2020 to  
December 31, 2022

**Facilities:** Redbud, GREC3

**Special Provision:**

1. Exhibit A-2 shall supersede and replaces Exhibit A-1 effective January 1, 2020.
2. All forward gas transactions previously confirmed under any other agreement, and for  
which gas flows during the term of this Exhibit A-2, shall be charged the Management  
Fee listed in this Exhibit A-2.

GRAND RIVER DAM AUTHORITY

By: 

Name: DANIEL S. Sullivan

Title: Chief Executive Officer

CENTERPOINT ENERGY SERVICES, INC.

By: 

Name: William Casey Lee

Title: VIP Gas Supply

## Exhibit 3

1111 Louisiana St., B-241

Houston, TX 77002

[SymmetryEnergy.com](http://SymmetryEnergy.com)



## FORCE MAJEURE NOTICE

February 15, 2021

Grand River Dam Authority  
PO Box 609  
Choteau, OK 74337

Attention:  
GRDAGeneration@grda.com  
rjones@grda.com  
ealexander@grda.com

RE: Notice of Force Majeure Event - Extremely Cold Weather Conditions

Dear Valued Customer:

This letter serves as written notification of a Force Majeure event beginning February 15, 2021 and continuing until further notice due to failure of gas supply caused by extremely cold weather in the geographic region for which Symmetry Energy Solutions serves Grand River Dam Authority. These events have caused Symmetry Energy Solutions' supply to be cut and this Force Majeure event will result in the suspension of either full or partial deliveries under the base contract until further notice. We are working to expeditiously resolve this issue and will continue to provide you with periodic updates.

SES stands ready to assist you in navigating through this trying time for all of us. Please contact Shon Purcell [shon.purcell@symmetryenergy.com](mailto:shon.purcell@symmetryenergy.com), if you have questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Casey Lee", with a horizontal line extending to the right.

Casey Lee  
Vice President