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Andrea Wolfman

April 8, 2016

VIA EMAIL & U.S. MAIL

Ms. Larine A. Moore  
U.S. Department of Energy  
FE-34  
PO Box 44375  
Washington, D.C. 20026-4375

Re: Application of The Narragansett Electric Company d/b/a National  
Grid for Long-Term Authorization to Import Liquefied Natural  
Gas From Canada By Truck, FE Docket No. 16- 49 -LNG

Dear Ms. Moore:

Enclosed for filing is the Application of The Narragansett Electric Company d/b/a National Grid (Narragansett) for Long-Term Authorization to Import Liquefied Natural Gas from Canada By Truck (the "Application").

On this date, the undersigned is mailing to the above address an original and three copies of the Application and a check for the filing fee in the amount of \$50 made payable to the Treasurer of the United States. On this date, the undersigned is also transmitting by email to [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov) a PDF copy of the Application and a copy of the check for the filing fee. I certify that the PDF copies are the same as the hard copies that are being mailed.

Please acknowledge receipt of this Application by email to [andrea.wolfman@alston.com](mailto:andrea.wolfman@alston.com). Should you have any questions, please do not hesitate to contact me at the number above. Thank you for your assistance.

Sincerely,



Andrea Wolfman

*Counsel for The Narragansett Electric Company  
d/b/a National Grid*

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

<b>In the Matter of:</b>	)	
	)	<b>Docket No. 16-___-LNG</b>
<b>THE NARRAGANSETT ELECTRIC COMPANY</b>	)	
<b>D/B/A NATIONAL GRID</b>	)	

**APPLICATION FOR LONG-TERM AUTHORIZATION TO IMPORT  
LIQUEFIED NATURAL GAS FROM CANADA BY TRUCK**

Pursuant to Section 3 of the Natural Gas Act (NGA), 15 U.S.C. § 717b, and Part 590 of the Department of Energy (DOE) regulations, 10 C.F.R. Part 590, The Narragansett Electric Company d/b/a National Grid (Narragansett) requests that the DOE Office of Fossil Energy (DOE/FE) issue an order granting Narragansett long-term authorization to import liquefied natural gas (LNG) from Canada by truck, up to a total volume equivalent to 0.5334 billion cubic feet (Bcf) of natural gas, over a 32-month term from April 1, 2016<sup>1</sup> through November 30, 2018.

Under NGA § 3(c), this Application concerning imports (i) of LNG (ii) from Canada, a nation with which the United States has a Free Trade Agreement (FTA) requiring national treatment for trade in natural gas, is entitled to the statutory presumption that such imports are

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<sup>1</sup> Authorization retroactively effective to April 1, 2016 is respectfully requested. Only as of this week (the week of April 4, 2016) did it come to counsel's attention that long-term import authorization separate from Narragansett's existing authorization for imports of natural gas was required for this transaction.

“deemed to be within the public interest” and is subject to the statutory imperative that such applications “shall be granted without modification or delay.” 15 U.S.C. § 717b (b) and (c).

**I.**  
**COMMUNICATIONS**

Communications regarding this Application should be directed to:

Andrea Wolfman  
Alston & Bird LLP  
950 F Street, N.W.  
Washington, D.C. 20004  
(202) 239-3300  
(202) 239-3943  
[andrea.wolfman@alston.com](mailto:andrea.wolfman@alston.com)

Samara Jaffe  
Program Manager – FERC Compliance  
and Contracting  
National Grid USA  
100 East Old Country Road  
Hicksville, NY 11801  
(516) 545 5408  
[Samara.Jaffe@nationalgrid.com](mailto:Samara.Jaffe@nationalgrid.com)

**II.**  
**APPLICANT**

The exact legal name of Narragansett, the Applicant, is The Narragansett Electric Company. Narragansett is a Rhode Island corporation authorized to do business in the state of Rhode Island. It is wholly owned and controlled by National Grid USA. Narragansett has a place of business at 100 East Old Country Road, Hicksville, NY 11801.

Narragansett has current and past natural gas import and/or export authorization under DOE/FE Orders Nos. 2281, 2552, 2845, 3175 and 3526.

**III.**  
**REQUESTED AUTHORIZATION**

All of the LNG imported under the requested authorization will be purchased by Narragansett under the terms of the LNG Supply Agreement between Narragansett and Gaz

Métro LNG, L.P. (Gaz Métro), which is described in Section IV. below; a redacted copy of the LNG Supply Agreement is provided in Appendix C to this Application. Narragansett will make all truck transportation arrangements for the LNG to be imported. Narragansett will comply with all reporting requirements deemed necessary by DOE/FE, including filing monthly reports.

The authorization sought herein will permit Narragansett to import LNG from Canada by truck up to a total volume equivalent to 0.5334 Bcf<sup>2</sup> of natural gas over a 32-month period from April 1, 2016 through November 30, 2018. Narragansett intends to utilize the LNG imported under this authorization for system supply to serve the natural gas customers in its service territory.

#### IV. CONTRACT TERMS

The principal terms of the LNG Supply Agreement are as follows:

***Delivery Term:*** The delivery term begins on April 1, 2016 and ends on November 30, 2018.

***Delivery Point:*** Gaz Métro will deliver to Narragansett at Gaz Métro's liquefaction, storage and regasifying plant (LSR Plant) in Montréal, Québec, Canada.

***Quantity:*** The Annual Contract Quantity (ACQ), based on natural gas in its gaseous state, is 0.0635 Bcf (1,798 cubic meters (M<sup>3</sup>)) for 2016 and 0.1905 Bcf (5,394 M<sup>3</sup>) for each of 2017 and 2018. The LNG Supply Agreement provides for adjustments to the ACQ for these contract years. Purchases under the LNG Supply Agreement are on a firm, take-or-pay basis.

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<sup>2</sup> This volume is the total anticipated volume to be imported over the term. It consists of the sum of the Annual Contract Quantities (ACQ) for each year of the contract term and the additional quantities that may be available under the agreement for non-firm interruptible quantities of LNG and for adjustments to the ACQ.

**Price:** The components of the price to be paid by Narragansett to Gaz Métro are: the supply rate as set forth in Gaz Métro’s Tariff effective in the month of delivery; the transportation rate and compressor fuel rate as set Gaz Métro’s Tariff effective on the day of delivery; the cost per M<sup>3</sup> invoiced by Gaz Métro L.P. to Gaz Métro LNG for distribution and load-balancing services; and a liquefaction fee stated in US\$/MMBtu and converted using 35913 Btu/ M<sup>3</sup>.

**Transportation:** Narragansett is responsible to cause its transporter to take delivery of the LNG at the Delivery Point and transport it from the LSR Plant.

## V.

### **DEEMED CONSISTENCY WITH THE PUBLIC INTEREST**

Narragansett seeks an order under NGA § 3(a), which provides that DOE/FE shall authorize natural gas imports unless [it] “finds that the proposed importation ... will not be consistent with the public interest.”<sup>3</sup> Because Narragansett proposes the importation of (i) LNG into the United States from (ii) Canada, a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, under NGA § 3(c),

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<sup>3</sup> NGA Section 3(a) provides in pertinent part:

[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest.

15 U.S.C. § 717b(a). The Secretary of Energy’s authority (established by the DOE Organization Act transferring jurisdiction from the Federal Power Commission) is delegated to DOE/FE pursuant to Redelegation Order No. 00-002.04F (July 11, 2013).

Narragansett's imports are "deemed to be within the public interest" by statutory directive and DOE/FE is subject to the statutory imperative that such applications "shall be granted without modification or delay." 15 U.S.C. § 717b (b) and (c).

**VI.**

**APPENDICES**

Appendix A:	Verification
Appendix B:	Opinion of Counsel
Appendix C:	LNG Supply Agreement (redacted)

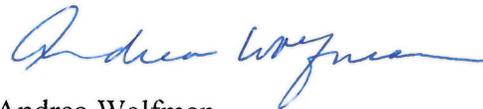
**VII.**

**CONCLUSION**

Narragansett respectfully requests that DOE/FE deem that Narragansett's proposed importation of LNG from Canada is consistent with the public interest and grant, without modification or delay, Narragansett's request, as more fully described in this Application, for long-term authorization to import LNG from Canada by truck up to a total volume equivalent to 0.5334 Bcf of natural gas over a 32-month period from April 1, 2016 through November 30, 2018.

Dated: April 8, 2016

Respectfully submitted,



Andrea Wolfman

*Counsel for The Narragansett Electric  
Company d/b/a National Grid*

**APPENDIX A**

**VERIFICATION**

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

In the Matter of:

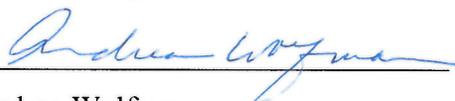
THE NARRAGANSETT ELECTRIC COMPANY  
D/B/A NATIONAL GRID

)  
)  
)  
)

Docket No. 16-\_\_\_-LNG

VERIFICATION

The undersigned, Andrea Wolfman, being duly sworn, states that she is the authorized representative of The Narragansett Electric Company d/b/a National Grid; that she is familiar with the contents of The Narragansett Electric Company's Application for Long-Term Authorization to Import Liquefied Natural Gas from Canada By Truck; and that all statements matters set forth in the Application are true and correct to the best of her knowledge, information and belief.



Andrea Wolfman

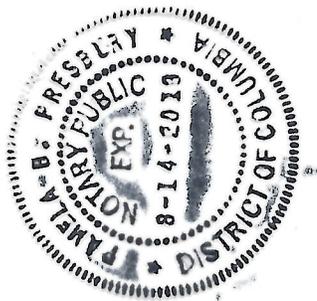
Sworn to and subscribed before me, a Notary Public in and for the District of Columbia on this 8<sup>th</sup> day of April, 2016.



Notary Public

My Commission expires:

PAMELA B. PRESBURY  
NOTARY PUBLIC DISTRICT OF COLUMBIA  
My Commission Expires August 14, 2019



**APPENDIX B**

**OPINION OF COUNSEL**

## Opinion of Counsel

This opinion is submitted pursuant to 10 C.F.R. 590.202(c) of the Department of Energy administrative procedures. The undersigned is counsel to:

The Narragansett Electric Company d/b/a National Grid

I have reviewed the corporate documents and it is my opinion that the proposed import of natural gas is within the company's corporate powers.

Respectfully submitted.



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Cynthia R. Clark

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Assistant General Counsel

National Grid  
175 E. Old Country Road  
Hicksville, NY 11801  
T: (516) 545-3774  
F: (516) 806-6141  
[cynthia.clark@nationalgrid.com](mailto:cynthia.clark@nationalgrid.com)

**APPENDIX C**

**LNG SUPPLY AGREEMENT  
(redacted)**

**LIQUEFIED NATURAL GAS SUPPLY AGREEMENT**

**THIS AGREEMENT is made and entered into as of July 16, 2015 (the "Agreement Date")**

**AMONG:**

**THE NARRAGANSETT ELECTRIC COMPANY DBA NATIONAL GRID, a Rhode Island corporation ("Customer")**

**- and -**

**GAZ MÉTRO LNG, L.P., a limited partnership organized under the laws of the Province of Québec, acting through its general partner, GAZ MÉTRO GNL inc. ("Gaz Métro LNG")**

**Customer and Gaz Métro LNG are individually referred to as "Party" and collectively as "Parties"**

**WHEREAS:**

- A. Gaz Métro Limited Partnership ("Gaz Métro L.P.") owns and operates a liquefaction, storage and regasifying plant (the "LSR Plant") located at 11201 Henri-Bourassa Boulevard East, Montréal, Québec, Canada;**
- B. Customer desires to purchase liquefied natural gas ("LNG") on the terms and conditions set forth herein in order to deliver the LNG (or have it delivered by its Transporter (as defined hereinafter)) to certain installations located in the United States of America;**
- C. An additional liquefaction train is being built at the site of the LSR Plant (the "LSR Plant Expansion");**
- D. From the beginning of the Delivery Term until the Commercial Operation Date, Gaz Métro L.P. will make available to Gaz Métro LNG a portion of the LNG produced at the LSR Plant;**
- E. Starting on the Commercial Operation Date, the LNG sold to Customer will come from the LSR Plant Expansion;**
- F. Gaz Métro LNG wishes to sell LNG to Customer and Customer wishes to purchase LNG from Gaz Métro LNG, on a FCA® Incoterms 2010 basis, to be supplied from the LSR Plant.**

NOW THEREFORE, the Parties agree as follows:

1. **Defined Terms and List of Schedules and Exhibits:**

Defined Terms

"Affected Party" has the meaning set forth in Section 13(a).

"Affiliate" shall mean a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person; where the term "control," "controlled by" or "under common control with" means the power, direct or indirect, to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise.

"Agreement" shall mean this Agreement.

"Agreement Date" has the meaning set forth on page 1 of this Agreement.

"Annual Contract Quantity" or "ACQ" has the meaning set forth in Section 3(a).

"Annual Delivery Schedule" has the meaning set forth in Schedule E.

"Applicable Laws" shall mean all federal, provincial and state laws and statutes and all regulations with jurisdiction over the Parties to this Agreement and application to the subject matter hereof, and all codes adopted hereunder or incorporated by reference for the storage, handling, loading and transportation of LNG.

"Approval" shall mean any permit, franchise, authorization, approval, grant, license, visa, waiver, exemption, consent, permission, registration, decree, privilege, variance, validation, confirmation or order granted by or filed with any Governmental Authority.

"Bcf" shall mean billion cubic feet.

"Canadian CPI" means the Canadian Consumer Price Index as published monthly by Statistiques Canada (Cansim 3260020).

"Cooldown Fee" has the meaning set forth in Section 3(g).

"Commercial Operation Date" has the meaning set forth in Schedule D.

"Conditions Precedent" has the meaning set forth in Section 2(a).

"Conditions of Service and Tariff" or "Tariff" means the Conditions of natural gas Service and Tariff of Gaz Métro L.P. as adopted and modified by the Régie from time to time pursuant to the *Act Respecting the Régie de l'énergie* (R.S.Q., c. R-6-01).

"Confidential Information" has the meaning set forth in Section 12(a).

"Contract Year" shall mean a period of time from and including January 1 through and including December 31 of the same calendar year, provided that: (1) the first Contract Year is the period of time beginning on the first day of the Delivery Term and ending on December 31 of the same calendar year; (2) the final Contract Year is the period of time beginning on the January 1 immediately preceding the final day of the Term and ending on the final day of the Term and (3) the ACQ and allocation of Loading Windows shall be reduced for any partial Contract Year at the beginning or end of the Term, in proportion of the number of days in such partial Contract Year bears to the total number of days in such calendar year.

"CTEAS" has the meaning set forth in Section 3(h).

"Cubic meter" or "m<sup>3</sup>" of natural gas means quantity of natural gas contained in one cubic meter at an absolute pressure of 101.325 kilopascals and at a temperature of 15 degree Celsius.

"Customer" has the meaning set forth on page 1 of this Agreement.

"Delivery Point" has the meaning set forth in Section 3(d).

"Delivery Term" has the meaning set forth in Section 2(c).

"Disclosing Party" has the meaning set forth in Section 12.

"ERP" has the meaning set forth in Section 6(f).

"FCA® Incoterms 2010" means Gaz Métro LNG delivers the LNG to the transporter nominated by Customer.

"Final Window Period" has the meaning set forth in Schedule D.

"First Window Period" has the meaning set forth in Schedule D.

"Force Majeure" or "Event of Force Majeure" has the meaning set forth in Section 14(a).

"Gaz Métro LNG" has the meaning set forth on page 1 of this Agreement.

"Gaz Métro L.P." has the meaning set forth on page 1 of this Agreement.

"Governmental Authority" shall mean any national, regional, provincial, state or local government, or any subdivision, agency, commission or authority thereof having jurisdiction over this Agreement, a Party, the LSR Plant, a Transporter or an LNG Tank including, without limitation, the Régie and the National Energy Board of Canada.

"GST" shall mean the Goods and Services Tax.

"Insurance Policies" has the meaning set forth in Section 10(c).

- "LNG" shall mean natural gas in a liquid state at or below its point of boiling and at or near atmospheric pressure.
- "LNG Tank" has the meaning set forth in Section 5(f).
- "Loading Window" has the meaning set forth in Schedule E.
- "LSR Plant" has the meaning set forth on page 1 of this Agreement.
- "LSR Plant Expansion" has the meaning set forth on page 1 of this Agreement.
- "Maximum Daily Quantity" or "MDQ" has the meaning set forth in Section 3(a).
- "Maximum Monthly Quantity" or "MMQ" has the meaning set forth in Section 3(a).
- "Missing Quantity" has the meaning set forth in Section 3(j).
- "MMBtu" shall mean million British thermal unit.
- "Monthly Delivery Schedule" has the meaning set forth in Schedule E.
- "Notice of Arrival" has the meaning set forth in Section 5(b).
- "Odorization of Liquid" has the meaning set forth in Section 8.
- "Party" or "Parties" has the meaning set forth on page 1 of this Agreement.
- "Person" shall mean a corporation, other corporate entity, partnership, association, Governmental Authority or natural person.
- "Price" has the meaning set forth in Section 3(e).
- "QST" shall mean the Québec Sales Tax.
- "Régie" shall mean the *Régie de l'énergie du Québec* (Québec Energy Board) or any successor thereto.
- "Receiving Party" has the meaning set forth in Section 12(a).
- "Second Window Period" has the meaning set forth in Schedule D.
- "TCPL" shall mean TransCanada Pipelines Limited or any successor.
- "Term" has the meaning set forth in Section 2.
- "Transporter" has the meaning set forth in Section 5(d).
- "Warm LNG Tank" has the meaning set forth in Section 5(b).

List of Schedules and Exhibits

[REDACTED]

Schedule B – Shipping Document

Schedule C – Measurement, Counting and Quality Procedures

Schedule D – Commercial Operation Date Windowing

Schedule E – Scheduling and Delivery

Schedule F – Material Safety Data Sheet

[REDACTED]

Schedule H – Information Requirements

Schedule I – LNG – Winter Trucking Insurance Exhibit

2. **Approvals; Conditions Precedent; Term:**

(a) Customer and Gaz Métro LNG shall use reasonable efforts to obtain and maintain in force any Approvals which are required for the performance of this Agreement, and shall cooperate fully with each other whenever necessary for this purpose.

(b) The Parties recognize and agree that this Agreement (other than the provisions of this Section 2(b) and of Sections 12 and 17 which shall all be in full force and effect as of the Agreement Date) shall become effective when all Approvals required to construct and operate the LSR Plant Expansion and needed to enable the Parties to fulfill their obligations under this Agreement will have been received.

As of the Agreement Date, only two Approvals have not been granted and are still missing, i.e. the Construction Permit to be issued by the City of Montreal for the LSR Plant Expansion, required and to be obtained by Gaz Métro LNG, and the receipt by Customer of all necessary regulatory authorizations, including any input, guidance and/or informal or formal approvals and orders or other authorizations or consents regarding approval of the Agreement and recovery of associated costs as determined to be acceptable by Customer acting reasonably from the Rhode Island Division of Public Utilities and Carriers, and any other federal, state or local authorities having jurisdiction, to proceed under this Agreement (the "Conditions Precedent"). Customer shall regularly keep Gaz Métro LNG informed about the status of the regulatory process.

Promptly upon satisfaction of each of the Conditions Precedent, the Party responsible to obtain the Approval shall notify the other Party of such satisfaction. This Agreement will automatically become effective on the date that both Conditions Precedent will have been either satisfied or waived, as applicable.

If a Condition Precedent has not been either satisfied or waived by April 1<sup>st</sup>, 2016, then the Party that is not responsible to obtain the Approval may give to the other Party a written notice stating that the latter has to waive the Condition Precedent, and that failure to do so may result in the termination of the Agreement by the Party that is not responsible to obtain the Approval. In case the Party responsible to obtain the Approval does not waive the Condition Precedent within ten (10) days from the issuance of the notice, the Party that is not responsible to obtain the Approval may terminate the Agreement.

(c) The "Term" of this Agreement will commence on the Agreement Date and terminate on the last day of the Delivery Term unless extended by mutual agreement of the Parties or terminated sooner in accordance with this Agreement. The "Delivery Term" begins on April 1<sup>st</sup>, 2016 and ends on November 30<sup>th</sup>, 2018.

3. **Sale and Purchase of LNG:**

(a) Gaz Métro LNG shall sell and deliver to Customer at the LSR Plant in each Contract Year, an annual contract quantity ("ACQ") of LNG as indicated in the table below:



- i. Customer shall purchase and receive from Gaz Métro LNG, this ACQ of LNG on a firm, take-or-pay, FCA@ Incoterms 2010 basis.
- ii. Moreover, [REDACTED] LNG deliveries hereunder are further subject to a maximum monthly quantity ("MMQ") of [REDACTED] of natural gas in its gaseous state, and to a maximum daily quantity ("MDQ") of [REDACTED] of natural gas in its gaseous state. [REDACTED] LNG deliveries hereunder are further subject to a MMQ of [REDACTED] of natural gas in its gaseous state, and to a MDQ of [REDACTED] of natural gas in its gaseous state.

- iii. In any Contract Year, the ACQ shall be adjusted upward as necessary to avoid Customer being required to take a partial truckload of LNG.
- iv. The ACQ is the quantity of LNG reserved by Customer. If Customer does not purchase and receive all the ACQ applicable during the Contract Year, Customer shall pay to Gaz Métro LNG, in addition to the invoice established by Section 7a) for the LNG purchased and delivered to the Customer, the fees set forth in Section 3(j).
- v. Customer recognizes that the LSR Plant is essential for the operation of Gaz Métro L.P.'s natural gas network. Therefore, until the Commercial Operation Date, and due to urgent needs of Gaz Métro L.P.'s network, Gaz Métro LNG shall have the right to interrupt or reduce the sale and delivery of LNG to Customer as long as needed, acting reasonably. In case of such reduction or interruption of the deliveries of LNG until the Commercial Operation Date, the Parties shall coordinate any such reduction or interruption to the maximum extent practicable to minimize the impact on both Parties. In case Customer cannot benefit from a make-up Loading Window, if such is offered by Gaz Métro LNG, then the ACQ of Customer for the Contract Year during which the reduction or interruption happens will be adjusted accordingly. Also, Gaz Métro LNG shall indemnify Customer for all the direct costs and expenses incurred by Customer to cancel or to return to its origin the LNG Tanks that had been scheduled to accept the canceled deliveries.
- vi. No later than on September 30, 2016 for the 2017 Contract Year, and no later than on September 30, 2017 for the 2018 Contract Year, Customer may request an adjustment to the ACQ for the next Contract Year by giving notice thereof to Gaz Métro LNG. Any such adjustment can only be done once for each of the Contract Years.

The agreement by Gaz Métro LNG to a request for an increase of the ACQ is subject to the availability of the LNG. Hence, Gaz Métro LNG could accept the request as is, accept it only partially or refuse it.

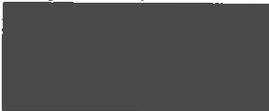
If the adjustment requested aims at reducing the ACQ for the next Contract Year, this reduction cannot be higher than [REDACTED] of the ACQ for that Contract Year as agreed on the Agreement Date [REDACTED]

- (b) If requested by Customer, Gaz Métro LNG may in its sole discretion agree to sell and deliver to Customer additional quantities of LNG, which deliveries shall be on a non-firm, interruptible basis unless otherwise agreed and on the basis of the same Price, to which additional actual costs incurred by Gaz Métro LNG could be added.
- (c) Customer acknowledges that no LNG storage services are being provided under this Agreement.
- (d) The transfer of proprietary right of the LNG will occur upon delivery to Customer. Gaz Métro LNG shall deliver LNG to Customer on an FCA (per Incoterms® 2010) basis at the point at which the flange coupling of the LNG loading line at the LSR Plant joins the flange coupling of the LNG intake manifold of the relevant LNG Tank (the "Delivery Point"). Title to and all risk in respect of the LNG sold by Gaz Métro LNG pursuant to this Agreement shall pass from Gaz Métro LNG to Customer as the LNG passes the Delivery Point.
- (e) **Price:** Customer shall pay the following amounts (collectively, the "Price") to Gaz Métro LNG for each cubic meter of natural gas in its gaseous state delivered to Customer by Gaz Métro LNG in the form of LNG under this Agreement (all amounts are in Canadian dollars except for the liquefaction fee):
- i. the supply rate applicable for the month in which such LNG is delivered to Customer, as set forth in the Tariff (Gaz Métro L.P.'s system gas), which rate can be modified by the Régie from time to time, typically on a monthly basis. For June 2015, the supply rate is 11.405¢/m<sup>3</sup> (\$3.176/MMBtu);
  - ii. the transportation rate and the compressor fuel rate applicable on the day such LNG is delivered to Customer, as set forth in the Tariff, which rates can be modified by the Régie from time to time. For June 2015, the transportation rate is 7.436¢/m<sup>3</sup> (\$2.071/MMBtu) and the compression fuel rate is 0.526¢/m<sup>3</sup> (\$0.146/MMBtu);
  - iii. the cost invoiced by Gaz Métro L.P. to Gaz Métro LNG for the distribution and load-balancing services based on the Tariff and on any decision by the Régie. For June 2015, this cost is 1.453¢/m<sup>3</sup> (\$0.405/MMBtu);
  - iv. a liquefaction fee of:



For the purpose of the calculation of the true-up amount provided for in Section 3 (j) of this Agreement, the liquefaction fee per Cubic

meter will be calculated using 35913 Btu/m<sup>3</sup> as defined in Section 3 (f) of this Agreement, which means:



Sample calculation of the Price is as set forth in Schedule G.

- (f) The Parties agree that the Price is based on an assumed Btu content of LNG in its gaseous state equal to the Gaz Métro L.P. network standard of 35913 Btu/m<sup>3</sup>, and is subject to reconciliation to reflect the actual Btu content of the LNG as determined pursuant to Section 8(c) and Schedule C.
- (g) In addition to the Price, Customer shall pay a charge of [REDACTED] ("Cooldown Fee") in 2015 Canadian dollars to cool down each Warm LNG Tank to the extent such cool down services are provided in accordance with Section 5(c).
- (h) Gaz Métro LNG shall not charge the Goods and Services Tax ("GST") and Quebec Sales Tax ("QST") to Customer, nor the price arising out of the Quebec Cap and Trade GHG Emission Allowances System (the "CTEAS"), provided that all the LNG purchased by Customer pursuant to this Agreement is exported to the United States of America.

Customer understands that Gaz Métro LNG shall request a sworn declaration from a Customer's authorized officer to certify that all the LNG delivered to Customer pursuant to this Agreement will be exported to the United States of America (this declaration having to be handed to Gaz Métro LNG prior to the first loading for each Contract Year), and has been exported to the United States of America (this declaration having to be handed to Gaz Métro LNG after the last loading of each Contract Year). Customer agrees to provide such sworn declarations, in the form attached in Schedule H to this Agreement, in order to be exonerated from the obligation to pay the CTEAS price, the GST and the QST. If requested by a Governmental Authority, other documentation may be required from Customer to ensure that the CTEAS price, the GST and QST do not have to be invoiced to Customer.

The Parties specifically agree that they will respect all Applicable Laws and rules on such matters.

- (i) In the event that a change in Applicable Laws occurring after the Agreement Date materially adversely affects the cost for Gaz Métro LNG to deliver LNG hereunder, Customer agrees to negotiate in good faith with Gaz Métro LNG to attempt to reach a mutually agreeable equitable increase in the Price commensurate with such increased cost to Gaz Métro LNG.
- (j) In addition to the invoicing of the Price for all the LNG delivered under this Agreement as set forth in 7(a), Customer agrees to pay for each Contract

Year a true-up amount as invoiced in accordance with Section 7(b), to account for the positive difference, in terms of m<sup>3</sup>, between the ACQ of that Contract Year, as adjusted when applicable, and the LNG actually delivered by Gaz Métro LNG during that Contract Year (the "Missing Quantity").

The true-up amount will be equal to (A) the liquefaction fee set forth in Section 3 (e) (iv) and the fixed charges paid by Gaz Métro LNG if any multiplied by (B) the Missing Quantity.

**4. Warranty of Title and Quiet Possession.**

- (a) All LNG sold and delivered to Customer under this Agreement shall be free and clear of any mortgage, charge, pledge, hypothecation, lien, security interest, assignment, option, equity, execution, claim or other encumbrance of any kind or nature whatsoever, including any agreement to give any of the foregoing, whether or not registered or registrable or whether consensual or arising by operation of Applicable Law.
- (b) Gaz Métro LNG represents and warrants to Customer that Gaz Métro LNG:
  - i. is the lawful and beneficial owner of the LNG to be supplied under this Agreement, and that as such it has the right to sell such LNG, free from all claims and encumbrances; and
  - ii. has the full right to sell and dispose of the LNG to be supplied under this Agreement, and that the sale of the LNG to Customer will not contravene any Applicable Law binding Gaz Métro LNG nor any contract to which Gaz Métro LNG is a party.
- (c) Gaz Métro LNG covenants with Customer that Customer shall have quiet possession of the LNG to be supplied under this Agreement.

**5. Operation and Deliveries.**

- (a) The Parties shall coordinate their operational activities and communicate with each other to ensure the safe deliveries of LNG subject to any reasonable security precautions implemented at the LSR Plant. To that effect, Customer shall, among others, provide Gaz Métro LNG with the contact information of all its employees and Transporter's employees directly involved in the performance of this Agreement. The Parties will establish an Annual Delivery Schedule in accordance with Schedule E hereto which identifies the Loading Windows in which Customer is to take delivery of LNG.
- (b) Customer shall provide by email a written notice to Gaz Métro LNG ("Notice of Arrival") not less than 24 hours prior to each scheduled Loading Window, with the estimated time of arrival, which time shall be within the Loading Window set forth in the Monthly Delivery Schedule, and such identifying information regarding the driver and the LNG Tank scheduled to take delivery as may be reasonably requested by Gaz Métro LNG. Thereafter, Customer shall cause such LNG Tank to timely arrive, be fully

loaded and depart within such Loading Window. Customer shall be liable for any damages incurred by Gaz Métro LNG as a result of any delays by Customer. Failure of Customer to provide a timely Notice of Arrival or to respect the said Loading Window may result in cancellation of the scheduled Loading Window by Gaz Métro LNG, which cancellation shall not relieve Customer of its obligations to take or pay for the ACQ.

- (c) It is understood that the LNG Tank must arrive at the LSR Plant at a temperature and pressure low enough to permit it to be filled by Gaz Métro LNG at a normal pace without a significant and sustained increase in its pressure as observed by the person responsible to fill it. If the person responsible for Gaz Métro LNG to fill the LNG tank notices a significant and sustained increase in the pressure of the LNG tank, Gaz Métro LNG may declare the LNG Tank as a «Warm LNG Tank».

If requested in the Notice of Arrival or if noticed while trying to fill the LNG Tank, Gaz Métro LNG shall use commercially reasonable efforts to provide necessary cool down services with respect to any Warm LNG Tank. Gaz Métro LNG reserves the right to reject any Warm LNG Tank to the extent it may not reasonably accommodate same (taking into account its obligations to other customers) or if Customer shall have failed to provide notice of the Warm LNG Tank in its Notice of Arrival. Any such rejection of a Warm LNG Tank shall not relieve Customer of its obligations to take or pay for the ACQ. The Cooldown Fee shall be payable by Customer for each such Warm LNG Tank cooled down by Gaz Métro LNG.

- (d) Customer shall, in accordance with this Agreement, Applicable Laws and Approvals, cause its transporter ("Transporter") to take delivery at the Delivery Point and transport by LNG Tank all LNG delivered to Customer from the LSR Plant. Prior to the beginning of any loading of LNG by Gaz Métro in any LNG Tank, Customer agrees to provide Gaz Métro LNG written evidence that its Transporter and drivers have the ability, experience, licensure and training commensurate with the performance of their duties in accordance with the standards of reasonable and prudent operators of LNG Tanks, and that Customer and Transporter are holding all Approvals required under Applicable Law including, among others, any Approval required, when applicable, under the *National Energy Board Act*. In particular, Customer shall provide to Gaz Métro LNG all the information required in Schedule H no later than five (5) business days prior to the first loading for each Contract Year. Failure to provide all this information in due time shall cause the first loading to be postponed accordingly. Should any information provided prior to the first loading change during the Term, Customer shall promptly inform Gaz Métro LNG thereof.

- (e) Notwithstanding any other provision of this Agreement, as between Customer and Gaz Métro LNG, Customer shall be solely liable for the fault, negligence, performance or non-performance of its Transporter or any of its subcontractors, agents or employees, and such subcontracting by Customer shall in no way discharge or release Customer from the full performance and observation of its responsibilities under this Agreement.

Any responsibilities of Transporter, or Transporter's agents or contractors, under this Agreement, shall be considered as Customer responsibility. Customer shall provide at least thirty (30) day's prior written notice to Gaz Métro LNG in the event it intends to change Transporters during the term of this Agreement.

- (f) For purposes of this Agreement, an "LNG Tank" shall mean a cryogenic Tank transported by Transporter that meets the following:

Previous cargo shall have been LNG, or documentation shall be provided certifying that inert purge followed by precooling with LNG has been carried out.

- (g) Each LNG Tank shall be fit in every way for the safe loading, unloading, handling and carrying of LNG in bulk at atmospheric pressure and shall have its systems (including instrumentation) necessary for the safe loading, unloading, handling, carrying and measuring of LNG in good order and condition. Each LNG Tank and each truck carrying the said LNG Tank shall comply with, and shall be fully equipped, supplied, operated, and maintained to comply with, all Applicable Laws, including those that relate to design, safety, environmental protection, and other operational matters, and all procedures, permits, and approvals of Governmental Authorities that are required for the transportation and loading of LNG.
- (h) Gaz Métro LNG shall provide Customer, Transporter and Transporter's agents, contractors and their respective employees with access to the LSR Plant for the purpose of loading LNG by Gaz Métro LNG in the LNG Tank.
- (i) Customer shall direct Transporter to be present at the loading of LNG in the LNG Tank at the LSR Plant, and to arrange for the volume of each shipment to be measured and recorded in accordance with Section 8(c) and Schedule A.
- (j) Customer shall require Transporter and Transporter's agents, contractors and their respective employees to follow all directives of Gaz Métro LNG and its duly authorized personnel when present at the LSR Plant for the purposes of the subject matter of this Agreement. These directives appear in Schedule A, Site Access and Tank Loading Procedure. Schedule A may be changed from time to time by Gaz Métro LNG upon notice to Customer.
- (k) Gaz Métro LNG may, in its sole discretion, reject any Transporter, LNG Tank or driver which identification has not been transmitted to Gaz Métro LNG in advance or which is not in full compliance with the requirements of this Agreement or Applicable Law and cancel any affected delivery, which cancellation shall not relieve Customer of its obligation regarding the ACQ.
- (l) Customer may request to assign one or more Loading Windows and any corresponding portion of its ACQ to a prospective assignee. Any such assignment is subject to approval by Gaz Métro LNG in its sole discretion and would require, at a minimum, that such prospective assignee agree to

service on the terms and conditions set forth herein and be of equal or better creditworthiness as Customer or otherwise provide sufficient credit support. Any costs and expenses incurred by Gaz Métro LNG in considering any such assignment request shall be reimbursed by Customer. Any such assignment shall not relieve Customer of any responsibility hereunder, and Customer shall remain liable with the assignee for the payment of any LNG made available to the assignee.

(m) Gaz Métro LNG shall have no duty to confirm compliance of any Transporter, LNG Tank or driver with the requirements hereunder or under Applicable Law, and no permission to enter the site of the LSR Plant, load or take delivery of LNG issued by Gaz Métro LNG shall relieve Customer or Transporter of such requirements.

**6. Storage and Handling of LNG.**

- (a) In fulfilling their obligations under this Agreement, Gaz Métro LNG and Customer shall comply fully with all Applicable Laws.
- (b) Customer shall require Transporter and its subcontractors for the purpose of this Agreement to hold all Approvals necessary to transport the LNG from the LSR Plant to its final destination including, if applicable, all such authorizations with respect to the export and delivery to the United States, and to accept delivery of such shipments from Gaz Métro LNG promptly, efficiently, safely and as directed by Gaz Métro LNG, at Transporter's sole risk, cost and expense.
- (c) For each shipment of LNG, Gaz Métro LNG shall, as shipper, prepare, execute and provide to Transporter or its subcontractors (as applicable) a form of shipping document that complies with the Applicable Laws. A form of shipping document is attached in Schedule B.
- (d) Customer shall inform Gaz Métro LNG in advance and within a reasonable delay of the routes that will be taken by the Transporter from the moment the LNG Tank will be loaded until its final destination, and of any modification to these routes. Customer shall be authorized or have its Transporter be authorized to transport LNG on designated Canadian routes. If requested by Customer, Gaz Métro LNG, at Customer's expense, will use reasonable efforts to assist Customer to obtain necessary authorization to transport LNG on Canadian routes; provided that Customer remains in all times fully responsible for the transportation activity.
- (e) Gaz Métro LNG shall ensure that, at all times during the term of this Agreement, each employee and contractor engaged by Gaz Métro LNG for the purposes of handling, storing, and loading of LNG:
  - i. has been properly screened by Gaz Métro LNG, and poses no known security risk to any of the Parties or the Transporter; and

- ii. has received adequate training in the handling, storage and loading of LNG.
- (f) Where applicable, Gaz Métro LNG shall ensure that Gaz Métro L.P. prepares and provides to Transporter an approved emergency response plan ("ERP") in compliance with all Applicable Laws, and shall self-provide or retain the services of a supplier who shall provide the services of emergency response in compliance with all Applicable Laws, provided that Customer will reimburse all reasonable expenses incurred by Gaz Métro LNG in connection with the ERP. Notwithstanding the fact that Gaz Métro LNG provides the ERP, Customer remains solely responsible for any event occurring during transportation of LNG after it has taken receipt thereof until its final destination. Therefore, Customer shall indemnify Gaz Métro LNG for any damages arising out of any such event.

**7. Billing and Payment.**

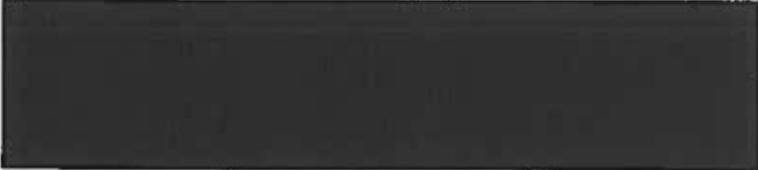
- (a) Following the end of each month, Gaz Métro LNG shall deliver to Customer an invoice showing the total quantity of LNG delivered to Customer during the month, and the Price due in connection with such LNG together with reasonable supporting detail, substantially in the form of Schedule G.
- (b) Following the end of each Contract Year, Gaz Métro LNG shall deliver to Customer a true-up invoice with respect to any amounts owing from Customer with respect to such Contract Year, as provided for in Section 3(j). However, if for any Contract Year the quantity of LNG delivered by Gaz Métro LNG to Customer is equal or higher than the ACQ of that Contract Year, Gaz Métro LNG will not deliver such true-up invoice.
- (c) Customer shall pay to Gaz Métro LNG the full amount indicated on each invoice, by way of an electronic transfer of funds in accordance with the instructions set out on the invoice, the whole within twenty (20) calendar days from the invoice date.

If Customer disputes the amount of an invoice in good faith, it shall nevertheless pay the total amount of the invoice within the above-noted delay, and promptly provide supporting documentation to support the amount disputed. Disputed amounts that are ultimately determined to be refunded to Customer by Gaz Métro LNG shall be refunded with interest accrued at the interest rate described below in Section (e), from the date of payment through the date of refund or payment. Customer may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement upon Notice in writing to Gaz Métro LNG within twelve (12) months of the date the invoice or adjustment to an invoice was rendered.

- (d) All payments under this Agreement will be in Canadian Dollars, except for the payment of the liquefaction fee, which will be in US Dollars.

- (e) If Customer fails to pay the full amount payable by it when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of: (i) the then effective prime lending rate of interest established from time to time by the National Bank of Canada for loans to commercial customers, plus three percent (3%) per annum from the date due until the date of payment, or (ii) the maximum applicable lawful interest rate.
- (f) In any action to collect any amount due under this Agreement, the prevailing Party shall be entitled to recover its legal fees and collection costs as determined by a court of competent jurisdiction.
- (g) Gaz Métro LNG reserves the right to require reasonable security or performance assurances associated with Customer's obligations hereunder, including irrevocable standby letters of credit, guarantees (including bonds) from creditworthy entities (as reasonably determined by Gaz Métro LNG) or other similar requirements.

**8. Measurement, counting and quality procedures, and absence of odorization.**

- (a) The Material Safety Data Sheet of the LNG is attached in Schedule F to this Agreement. The LSR Plant receives its gas from TCPL transportation network. Gaz Métro LNG makes no representation or warranty with respect to the compatibility of LNG delivered hereunder with other receiving facilities.
- (b) The Parties agree that the quantity of each shipment of LNG delivered under this Agreement will be established through the increase in weight in kg of the LNG Tank between the beginning of the loading and its end. The weight of the LNG delivered will be used to determine the quantity of LNG sold and delivered with each loading.
- (c) At least once a week, Gaz Métro LNG will measure the Btu content and the density of the LNG in its tanks at or near the flange coupling of the LNG Loading line in accordance with Schedule C. The monthly invoice prepared by Gaz Métro LNG will be adjusted to reflect the Btu content of the LNG made available compared to the Gaz Métro L.P. network gas standard as defined in Section 3(f).
- (d) All the LNG delivered hereunder shall be free of odorant compounds, and Customer shall indemnify and hold Gaz Métro LNG harmless from all claims and damages including suits, actions, damages, costs, losses and expenses arising by reason of any failure of Customer to odorize such LNG after its receipt at the Delivery Point.
- (e) 

  
9. **Indemnities: Liabilities.**

- (a) A Party (a "Defaulting Party") shall indemnify and hold harmless the other Party (the "Indemnified Party") from and against any and all damages, debts, obligations, losses and expenses incurred by the Indemnified Party and that are directly arising out of, resulting from or attributable to the fault, negligence or faulty omission of the Defaulting Party.
- (b) Except as may be required in connection with any third-party indemnification claims, neither Party shall be liable to the other Party for or in respect of any indirect, incidental, consequential losses, including any loss of income or profits. The Parties recognize that all amounts claimed to Customer arising out of its obligation relating to the ACQ shall not be affected by this paragraph.
- (c) In the event Gaz Métro LNG fails to deliver to Customer at the LSR Plant all or part of the quantities that have been confirmed by Customer through the Notice of Arrival to Gaz Métro LNG, and that such failure is due to Gaz Métro LNG's fault, negligence or faulty omission, Gaz Métro LNG undertakes in this case to take reasonable measures to schedule a make-up Loading Window for Customer and waives any incremental costs set forth in Section 7 of Schedule E. If it is impossible for Customer to use, or for Gaz Métro LNG to offer, such make-up Loading Windows, the ACQ of Customer will be adjusted downwards for the Contract Year during which Gaz Métro LNG's default occurs, in order to take into account the quantity of LNG that the Customer will not have been able to receive due to Gaz Métro LNG's default. For the quantity of LNG that the Customer will not have been able to receive due to Gaz Métro LNG's default and for the quantity received during a make-up Loading Window due to Gaz Métro LNG's default, Gaz Métro LNG's liability to Customer shall be limited to Customer's actual, direct damages in respect of such failed or delayed delivery, not to exceed fifty (50) percent of the value of the quantity that Gaz Métro LNG failed to deliver or delivered during the make-up Loading Window. Customer shall use reasonable efforts to minimize such damages.
- (d) Except for warranties of title, liens and encumbrances, and subject to the provisions of this Agreement concerning the quality of LNG to be delivered under this Agreement, Gaz Métro LNG expressly negates any warranty with respect to LNG delivered under this agreement, written or oral, express or implied, including any warranty with respect to conformity to samples, merchantability or fitness for any particular purpose.

10. Insurance:

- (a) In addition to all other insurance coverage required by Applicable Laws, Gaz Métro LNG shall at its own expense procure and maintain in full force and effect throughout the term of this Agreement and any renewals thereof, and for two (2) years following expiry or non-renewal of this Agreement, commercial general liability insurance having a minimum inclusive coverage limit, including personal injury and property damage, of at least Ten Million Dollars (\$10,000,000). Customer must be added as an additional insured in the commercial general liability insurance policy, which should be extended to cover contractual liability and owners'/contractors' protective liability and must also contain a cross liability clause.
- (b) In addition to all other insurance coverage required by Applicable Laws, Customer shall, at its own expense, procure and maintain in full force and effect throughout the term of this Agreement and any renewals thereof, and for two (2) years following expiry or non-renewal of this Agreement, commercial general liability insurance having a minimum inclusive coverage limit, including personal injury and property damage, of at least Ten Million Dollars (US) (\$10,000,000). Gaz Métro LNG must be added as an additional insured in the commercial general liability insurance policy, which should be extended to cover contractual liability, owners'/contractors' protective liability and must also contain a cross liability clause. Nothing contained here shall preclude Customer from self-insuring as permitted under Applicable Laws. Customer shall be responsible for the payment of all deductible or self-insured retention amounts related to this insurance coverage. As of the Agreement Date, Customer's self-insured retention amount is Three Million Dollars (US) (\$3,000,000). Customer shall notify Gaz Metro LNG in writing if, during the Term, Customer elects to increase its self-insured retention.
- (c) Upon execution of this Agreement and upon each insurance policy renewal, each Party shall furnish the other with an insurance certificate setting out the terms and conditions of each policy of insurance (the "Insurance Policies") maintained by such insured in order to satisfy the requirements of this section of all Applicable Laws pertaining to workers' compensation schemes. At any time and upon each insurance policy renewal, each Party shall furnish the other with one or more duly completed insurance certificates in the form requested by the other Party to evidence the details of all the Insurance Policies. The Insurance Policies shall be arranged with insurers with a minimum A.M. Best rating of not less than "A-". Neither Party shall cancel or terminate any of the Insurance Policies or reduce their coverage without giving prior notice in writing to the other Party. Each Party shall cause or arrange for any of its insurers under any one or more of the Insurance Policies to oblige itself contractually in writing to the other Party to provide thirty (30) days' prior notice in writing before cancelling, terminating or reducing of coverage the Insurance Policies under which it is an insurer.
- (d) For the protection of Gaz Métro LNG, its successors and assigns, Customer shall cause Transporter to purchase at its own expense and keep in force,

throughout the term of this Agreement and any renewals thereof, and for two (2) years following expiry or non-renewal of this Agreement, the insurance policies or insurance coverage set out in Schedule I – LNG Winter Trucking Insurance Exhibit.

11. **Notices:** Routine communications between the Parties may be transmitted electronically, by email or by fax. However, any formal notices required or permitted to be given in writing under this Agreement will be considered as having been given by one to the other Party upon the business day following the mailing thereof to such other Party by registered mail, postage prepaid, to the address set forth below, or to such other address as such Party may furnish to the other Party from time to time:

in the case of Customer, to this address:

THE NARRAGANSETT ELECTRIC COMPANY DBA National Grid  
100 East Old Country Road  
Hicksville NY 11801  
Attn: John Allocca – Director of FERC Compliance & Contracting  
Tel: (516) 545-3018  
Fax: (516) 806-4442  
Email: [john.allocca@nationalgrid.com](mailto:john.allocca@nationalgrid.com)

in the case of Gaz Métro LNG, to this address for all notices except for the Notices of Arrival 5(b) and for the notices pertaining to a change of Transporter 5(e):

Gaz Métro LNG L.P.  
Attention: Martin Imbleau, President  
1717 Du Havre Street  
Montréal, QC, Canada H2K 2X3  
Email: [MImbleau@gazmetro.com](mailto:MImbleau@gazmetro.com)

with a copy to:

Attention: Director, Legal Affairs and Claims  
1717 du Havre Street  
Montréal, QC, Canada H2K 2X3  
Email: [legal@gazmetro.com](mailto:legal@gazmetro.com)

and in respect of Notices of Arrival 5(b) and of change of Transporter 5(e):

Gaz Métro LNG L.P.  
Attention: Manager, LSR PLANT  
11201 Henri-Bourassa Boulevard East  
Montréal, QC, Canada H1C 1H2

12. Confidential Information.

- (a) Definition of Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall include, but not be limited to, management, operational, product, technical, or commercial information, trade secrets, know-how, designs, formulations, ingredients, samples, processes, machines, equipment, approvals, processing and control information, product performance data, manuals, supplier lists, customer lists and market information, purchase and sales records, computer programs or systems, financial, marketing; provided such information is or has been (i) disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in writing, including by email or other tangible electronic storage medium or (ii) initially disclosed orally or visually, and then followed within thirty (30) days thereafter with a disclosure complying with the requirements of clause (i) above.
- (b) Sharing Confidential Information. The Parties shall disclose to each other such Confidential Information as is reasonably necessary to fulfill their respective obligations under this Agreement. Any Confidential Information disclosed by a Disclosing Party hereunder may be used by the Receiving Party only for the purposes of this Agreement and not for any other purpose.
- (c) Duty to Maintain Confidentiality. Except as otherwise specifically set forth herein, the Parties shall keep confidential (and shall ensure that its employees, agents and consultants keep confidential) any and all Confidential Information and any information concerning this Agreement or the proposed activities set forth herein, and shall not disclose such Confidential Information or any information concerning this Agreement or the activities or proposed activities set forth herein to any person without the prior written consent of the Disclosing Party. The Parties shall have the right to retain one electronic copy of the Confidential Information as part of the back-up for their computers. The provisions of this Section 12(c) shall not apply to any Confidential Information or any information concerning this Agreement or the activities or proposed activities set forth herein which:
- i. is publicly available at the time of disclosure or which subsequently becomes publicly available other than by breach of this Agreement by the Receiving Party;
  - ii. is already known to the Receiving Party at the time of its disclosure by the Disclosing Party, or becomes known through no wrongful act of the Receiving Party and, in either case, was not otherwise communicated by the Receiving Party;
  - iii. is independently developed by the Receiving Party and not based on any Confidential Information;

- iv. subsequently and lawfully comes into the Receiving Party's possession from an independent third party who did not receive the Confidential Information, directly or indirectly, from the Disclosing Party; or
  - v. is disclosed to Governmental Authorities or to courts pursuant to Applicable Laws.
- (d) **Publicity.** It is understood that Customer shall not (i) publicly associate Gaz Métro LNG with its transportation of LNG from the LSR Plant (ii) or issue any press release regarding this Agreement or the subject matter hereof, without Gaz Métro LNG's prior written consent.

13. **Force Majeure.**

(a) In this Section 14, the following terms and expressions shall have the following meaning:

- i. **"Affected Party"** means the Party who is unable to perform its obligations hereunder.
  - ii. **"Force Majeure"** or **"Event of Force Majeure"** means any act, event, cause or condition that prevents a Party from performing its obligations hereunder, that is beyond the Affected Party's reasonable control and that is not caused by such Party's fault or negligence, including but not limited to force majeure as defined in the *Civil Code of Québec*, acts of God, strike, lockout or other industrial disturbance, act of a public enemy, war, blockade, insurrection, riot, epidemic, landslide, earthquake, flood, washout, civil disturbance, explosion, fire, a terrorist act, inability to obtain materials, supplies, permits or labor, or the failure of any third party supplier to so deliver any such materials, supplies, permits or labor, breakage or accidents to machinery or lines of pipe, the necessity for making repairs or alterations to machinery or lines of pipe, unplanned outages at the LSR Plant, or the inability of Gaz Métro LNG to deliver LNG, force majeure on or of any third party providing transportation service of gas or LNG to Gaz Métro LNG, any laws, orders, rules, regulations, acts or restraints of any governmental body including the Régie, civil or military affecting Gaz Métro LNG or any third party supplier with which Gaz Métro LNG has contracted. Notwithstanding the foregoing, Force Majeure shall not include the hindrance, for any reason, of: i) any facility to receive or consume the LNG being delivered hereunder or ii) of any Transporter to take delivery of the LNG or iii) of any LNG Tank to receive the LNG delivered hereunder.
- (b) In respect of any incident as a result of which any Party is rendered incapable, in whole or in part by a "Force Majeure", of performing or complying with any obligation or condition of this Agreement then, subject to the provisions contained in this Section 13, the obligations of both Parties so far as they are directly related to or affected by such Force Majeure, shall

be suspended during the continuance of the Force Majeure provided that the Affected Party shall:

- i. forthwith give written notice to the other Party of the anticipation of the occurrence of an Event of Force Majeure and its expected date of commencement and duration;
- ii. forthwith give notice to the other Party of the occurrence of an Event of Force Majeure and its expected duration;
- iii. unless such Event of Force Majeure is a strike, lockout or other industrial disturbance, use commercially reasonable efforts to eliminate such Event of Force Majeure;
- iv. forthwith give notice to the other Party when such Event of Force Majeure has been eliminated or has ceased to prevent the Affected Party from fulfilling its obligation hereunder; and
- v. proceed to fulfill such obligations as soon as reasonably possible after such Event of Force Majeure has been eliminated or has ceased to prevent the Affected Party from fulfilling such obligations.

(c) An Affected Party shall not be entitled to the relief of performance provided hereunder, if:

- i. the Affected Party's inability to perform the obligation was caused by its lack of finances;
- ii. the Affected Party's inability to perform the obligation was the result of its pursuing alternative market opportunities;
- iii. the Affected Party's inability to perform the obligation was caused by its deliberate act or inaction; or
- iv. the Affected Party failed to comply with subsection 13(b), above, in respect of the obligation.

(d) If an Event of Force Majeure results in the reduction or suspension of operation of the liquefaction or loading facilities at the LSR Plant, Gaz Métro LNG shall use commercially reasonable efforts to allocate any remaining liquefaction capacity ratably between Customer and its other customers based upon their respective firm delivery quantities. The ACQ for the Contract Year during which the Event of Force Majeure occurred shall be adjusted to take into account the fact that some quantity of LNG shall not have been made available to the Customer due to the Event of Force Majeure.

(e) If an Event of Force Majeure affecting the Customer affects the ability of Customer's LNG Tank to take delivery, Gaz Métro LNG shall use commercially reasonable efforts to schedule a make-up Loading Window to Customer, and shall waive any additional charges that would otherwise

apply under Section 7 of Schedule E. If it is impossible for Customer to take advantage of the make-up Loading Windows, the ACQ of Customer shall be adjusted downwards for the Contract Year during which the Event of Force Majeure occurs in order to take into account the quantity of LNG that Customer will not have taken delivery due to the Event of Force Majeure.

14. **Independent Contractor:** Each Party will perform its obligations under this Agreement as an independent contractor and will have exclusive control and direction of the persons engaged in the fulfillment of such obligations. Each Party assumes full responsibility for the acts and omissions of such persons and shall have exclusive liability for the payment of provincial and federal payroll taxes or contributions, or taxes for employment insurance, worker's compensation benefits and coverage, old age pensions, or other social security and related protection with respect to persons engaged by such Party in the performance of such Party's obligations under this Agreement.

15. **Suspension and Termination:**

a. *Suspension*

If Customer fails to fulfill any of its obligations hereunder, Gaz Métro LNG may suspend or limit the LNG deliveries to Customer if the default has not been cured within a five (5) days delay following the issuance by Gaz Métro LNG of a notice to that effect to Customer. Notwithstanding any such suspension or limitation, Customer remains responsible of its obligations pertaining to the ACQ.

b. *Termination by a Party*

This Agreement can be terminated by either Party in the following situations:

- i. at the election of a Party (the "Non Defaulting Party") in case the other Party (the "Defaulting Party") fails to fulfill any of its material obligations hereunder and does not cure it within sixty (60) days following the issuance of a written notice to that effect from the Non Defaulting Party to the Defaulting Party;
- ii. at the election of either Party, if an Event of Force Majeure affecting the LSR Plant lasts for one hundred eighty (180) or more consecutive days, immediately upon written notice to the other Party;
- iii. In case of Customer's default, not already covered by Section 15(b)i, has not been not cured within one hundred and twenty (120) days following the issuance by Gaz Métro LNG of a written notice to that effect, the latter can terminate this Agreement.

c. *Automatic Termination*

This Agreement shall automatically terminate if proceedings are taken with respect to a Party under any law concerning insolvency, bankruptcy, sequestration, reorganization, arrangement, dissolution, liquidation or under

any other similar law, or if the assets of the Party are subject to a liquidation or assignment for the benefit of its creditors.

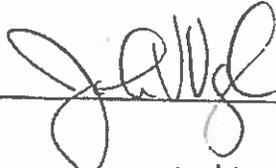
- d. In case this Agreement is terminated by Gaz Métro LNG or if it is automatically terminated in accordance with Section 15(c), Customer remains responsible to pay the ACQ until the end of the Delivery Term as if the Agreement had not been terminated. In all other situations where this Agreement can be terminated, Customer is released of its obligations pertaining to the ACQ for the period following the termination date.
16. **Survival.** Notwithstanding anything else contained in this Agreement, the obligation of either Party to make payment under this Agreement and the provisions of Section 7, including the payment of the ACQ, 9, 10, 12 and 17 shall survive the termination of this Agreement.
17. **Governing Law; Jurisdiction:** This Agreement will be construed and interpreted according to the laws and regulations of the Province of Québec, and the laws and regulations of Canada applicable in Québec. Any disputes arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the judicial courts sitting in the Ottawa judicial district (Ontario).
18. **Entire Agreement:** This Agreement exclusively and completely states the rights and obligations of the Parties with respect to the subject matter hereof, and supersedes all prior and other agreements, understandings, representations and warranties, whether oral or written, with respect to the subject matter hereof.
19. **No Violation of Other Agreements:** Each Party hereby represents and warrants to the other Party that neither: (a) its entering into of this Agreement, nor (b) its carrying out of the provisions of this Agreement, will violate any other agreement (oral or written) to which it is a Party or by which it is bound.
20. **Modification and Waiver:** No modifications and no waiver of any of this Agreement's terms, conditions or provisions will be valid or binding unless in writing duly signed by authorized officers of both Parties.
21. **Application and Assignment:** This Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective Parties hereto, and the covenants, conditions, rights and obligations of this Agreement shall run for the full term of this Agreement. No Party may assign or transfer this Agreement, in whole or in part, without the prior written consent of the other Party in its sole discretion, except that either Party may assign this Agreement to an Affiliate. Any permitted assignment hereunder shall not relieve the assigning party of its obligations under this Agreement.
22. **Counterparts:** This Agreement may be executed in any number of counterparts, and such counterparts executed and delivered, each as an original, shall constitute one and the same instrument.
23. **Delivery by Fax or Email:** Any Party may deliver an executed copy of this Agreement by fax or email, and such delivery shall be valid and effective, but upon

request by any other Party, the delivering Party shall immediately deliver to the other Party an original, executed copy of the Agreement.

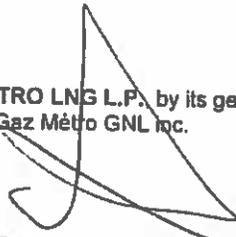
24. **Severability and Construction:** To the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect. All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.
25. **Commercial Reasonableness:** All rights, duties and obligations arising under this Agreement shall be exercised and discharged in good faith and in a commercially reasonable manner.
26. **Due Authority:** Each Party to this Agreement represents and warrants that it has full and complete authority to enter into and perform this Agreement. Each person who executes this Agreement on behalf of either Party represents and warrants that it has full and complete authority to do so and that such Party will be bound thereby.
27. **Language of Agreement :** *Les Parties ont convenu que la langue du contrat serait l'anglais.* The Parties have agreed to adopt English as the language of this Agreement.

IN WITNESS WHEREOF the Parties hereto have signed this Agreement through their duly authorized representatives to be effective as of the Agreement Date set forth above.

THE NARRAGANSETT ELECTRIC  
COMPANY DBA NATIONAL GRID, a Rhode  
Island corporation

By:  *John V. Vaughn*  
John V. Vaughn  
Authorized Signatory

GAZ MÉTRO LNG L.P. by its general  
partner, Gaz Métro GNL Inc.

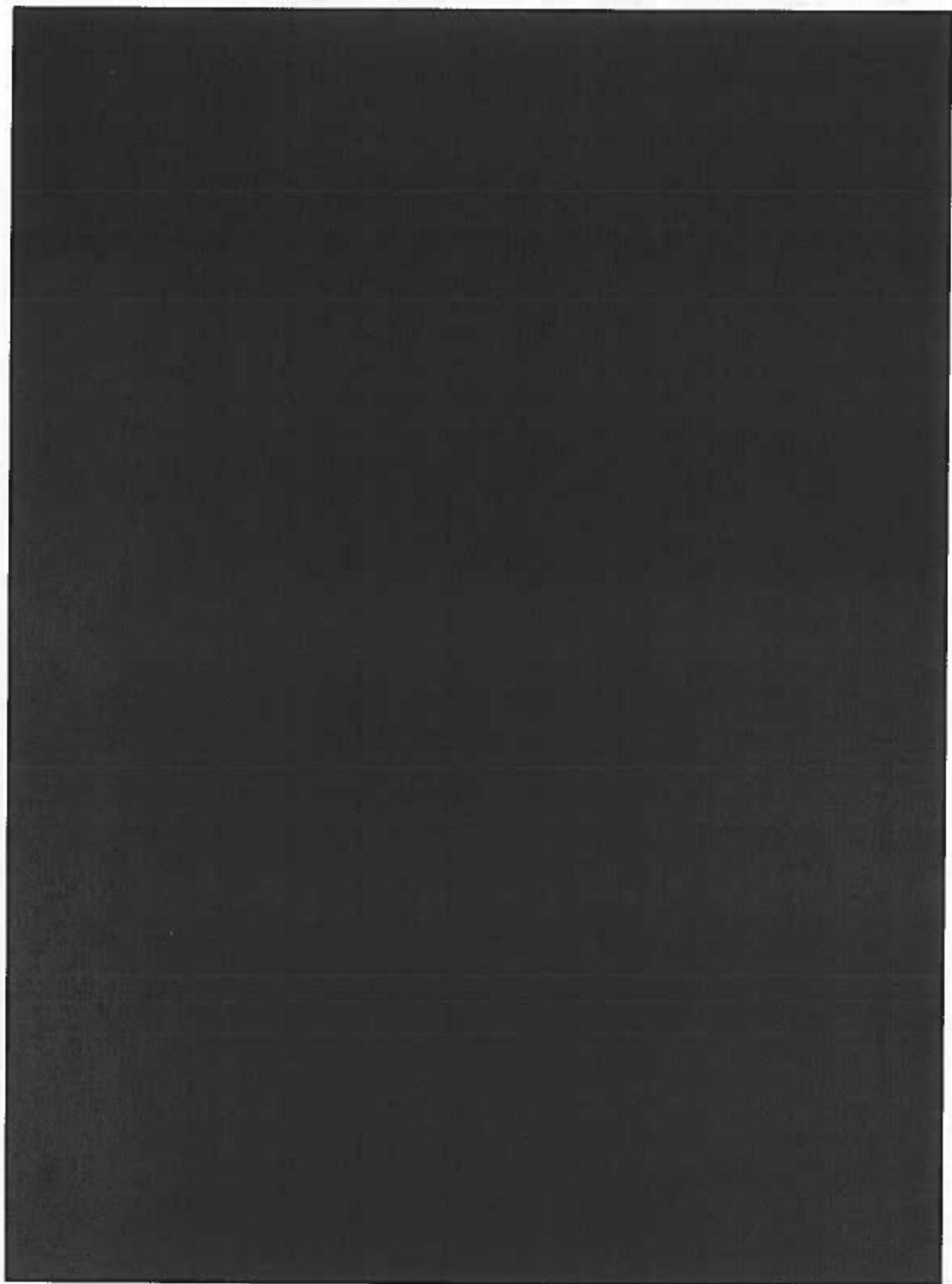
By:   
Martin Impleau

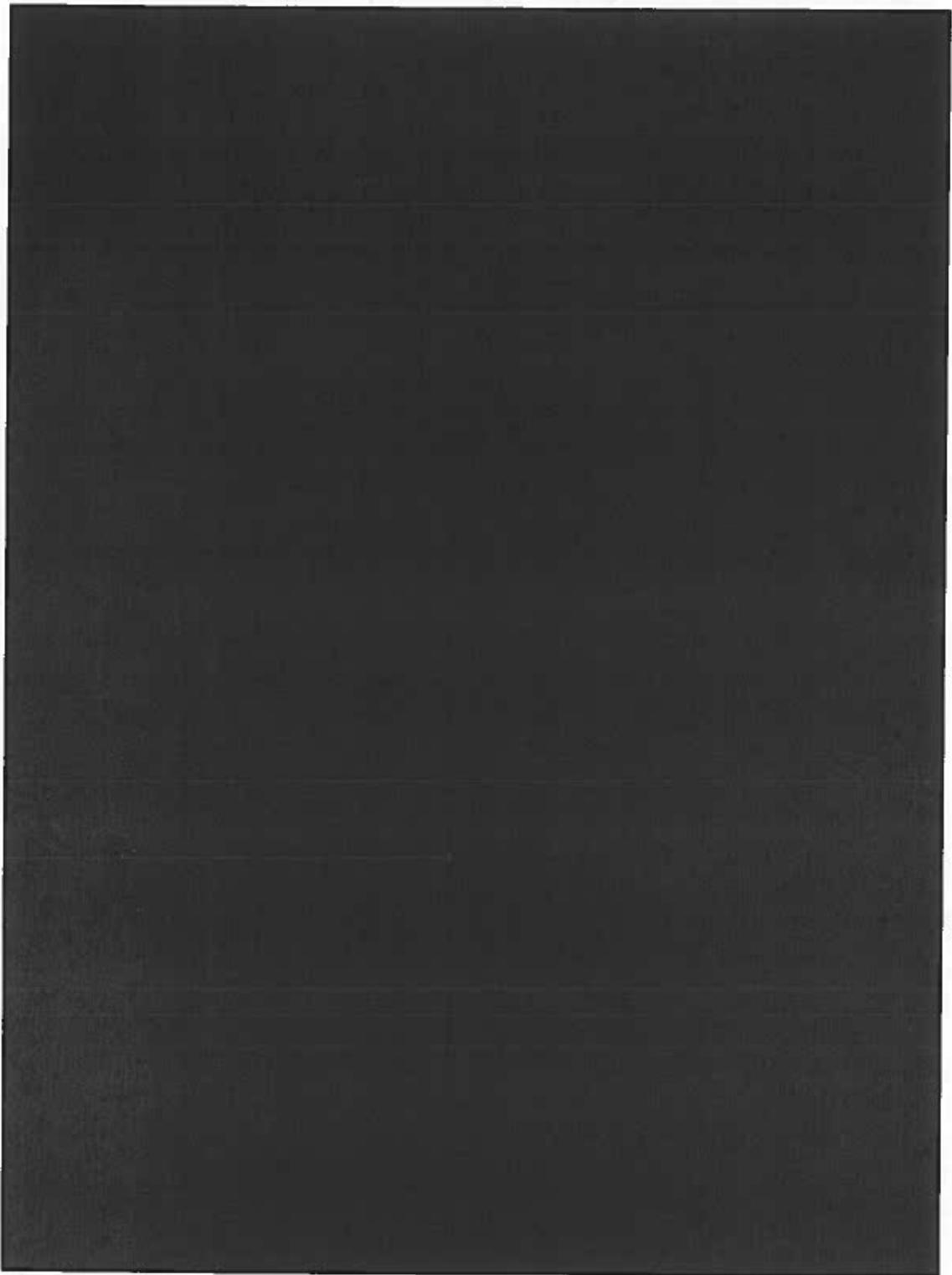
By:   
Lyne Borelle

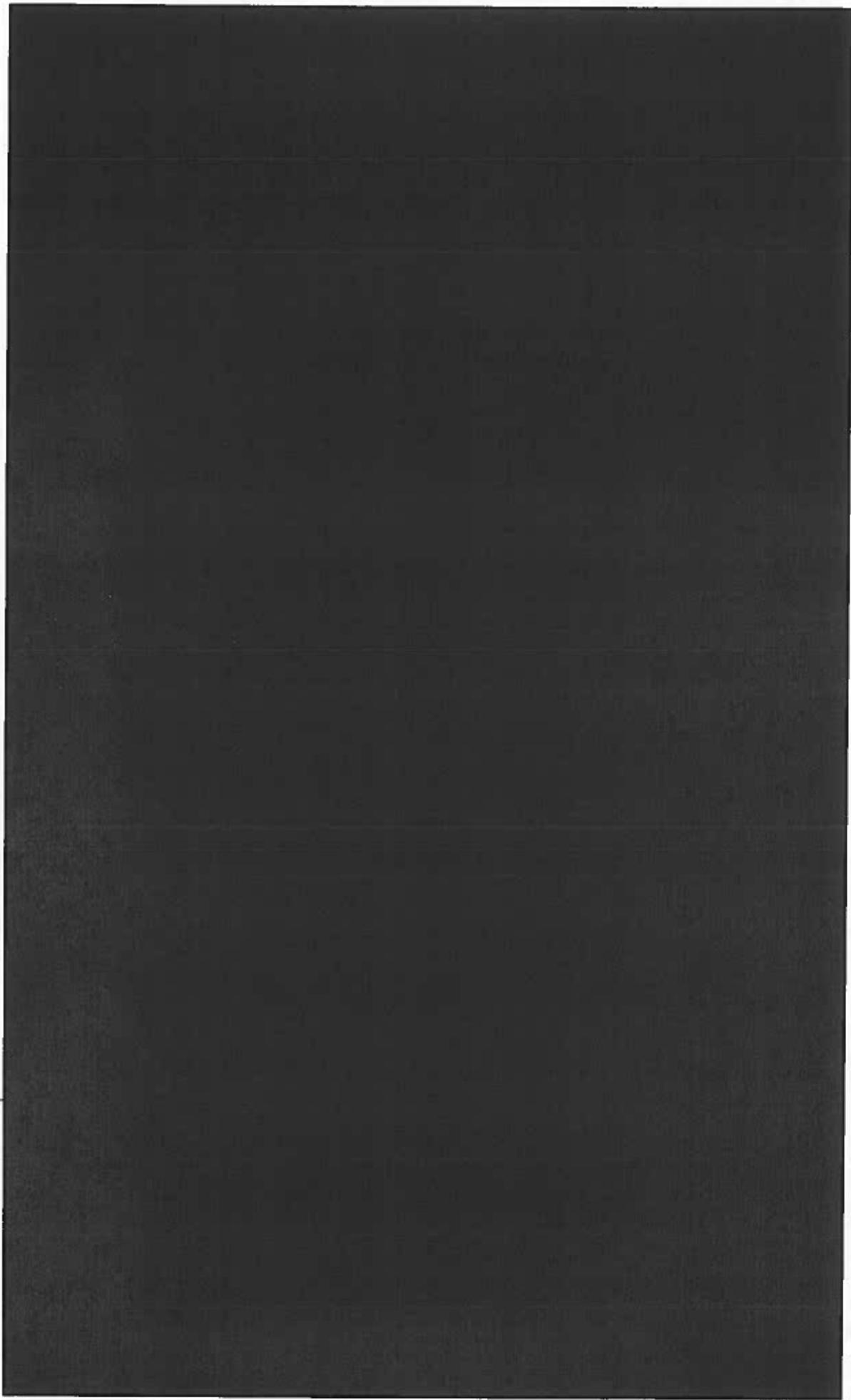
 GazMétro  
FC  
Initiales  
926-00069  
No Dossier

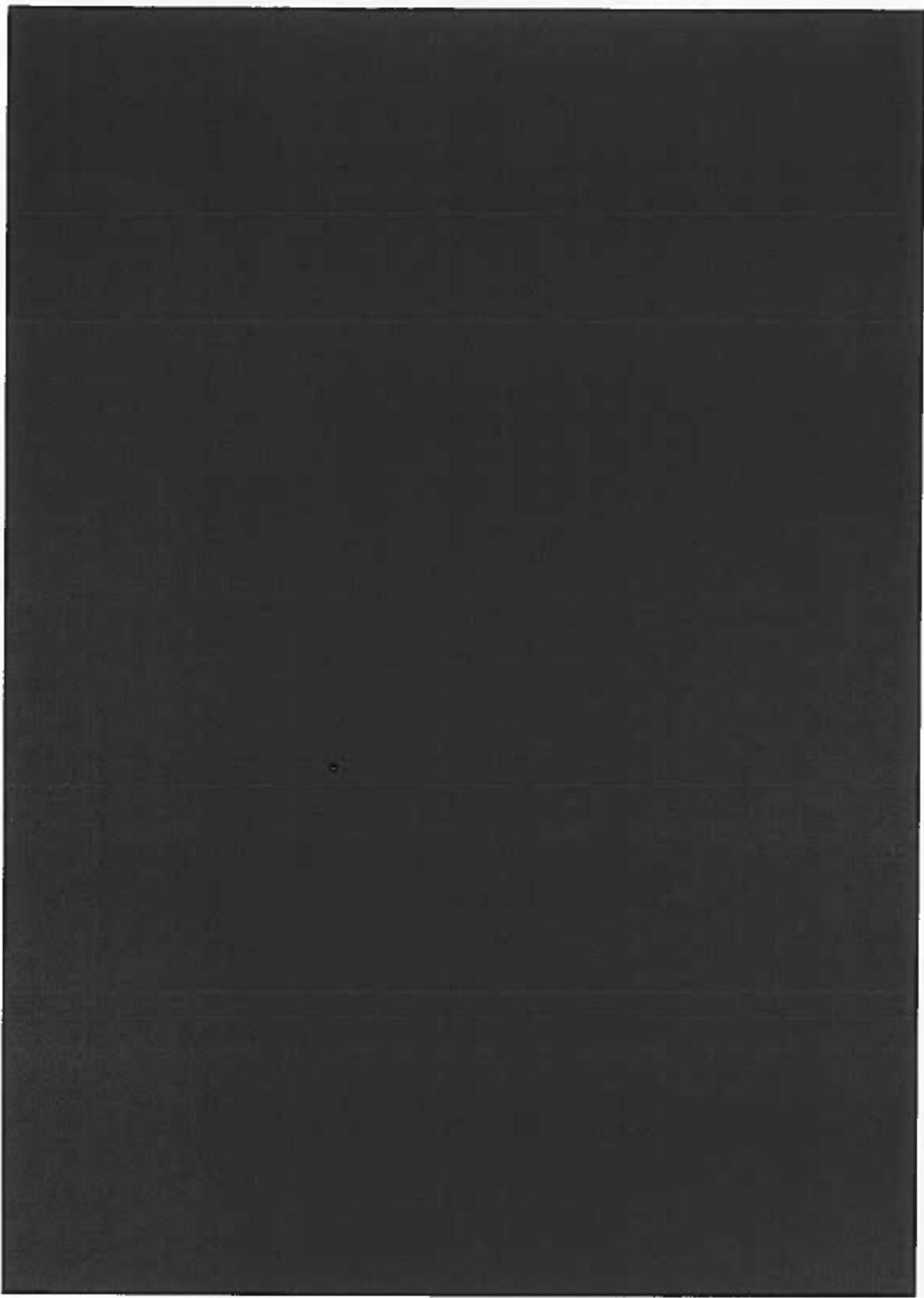


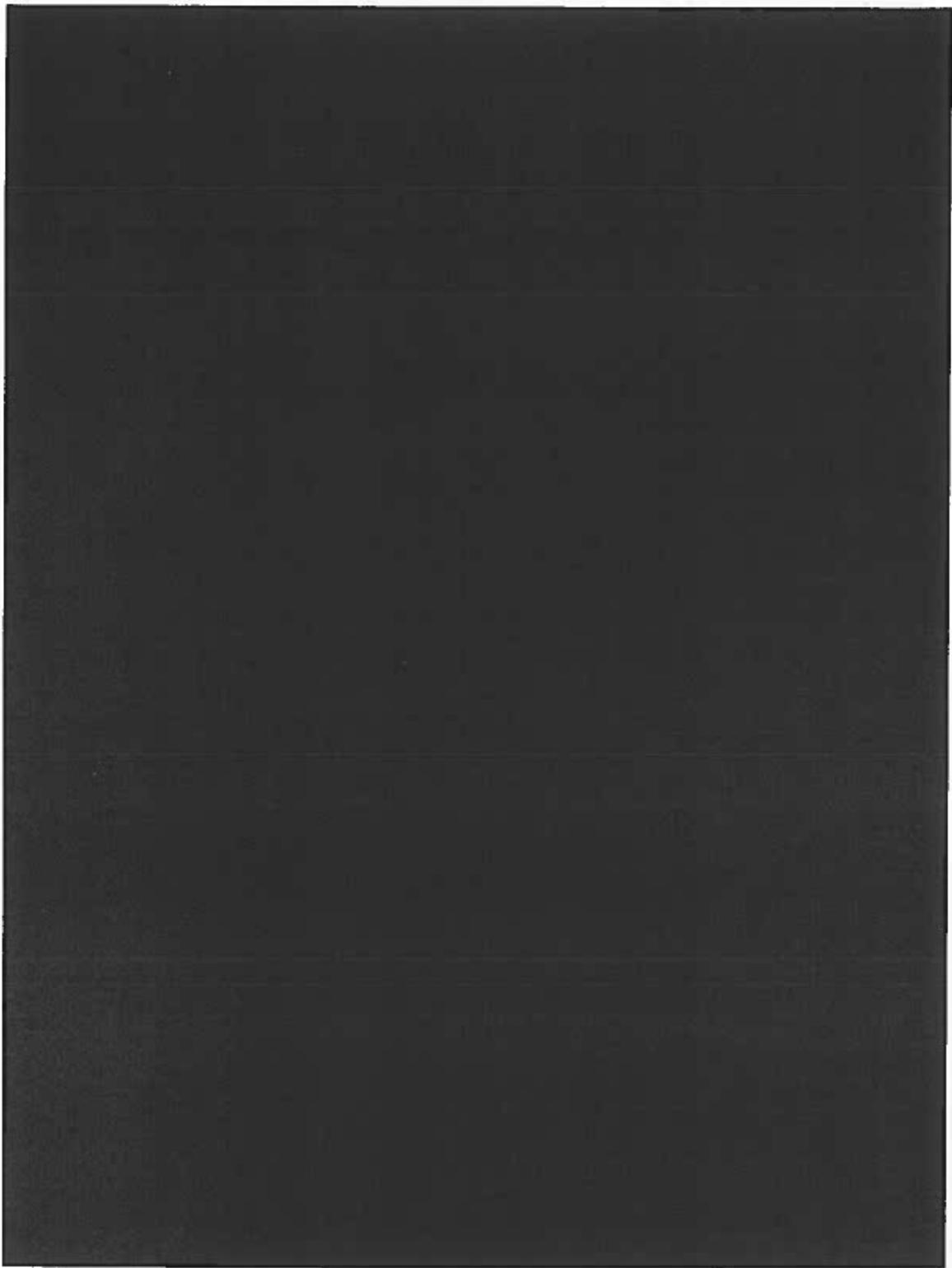
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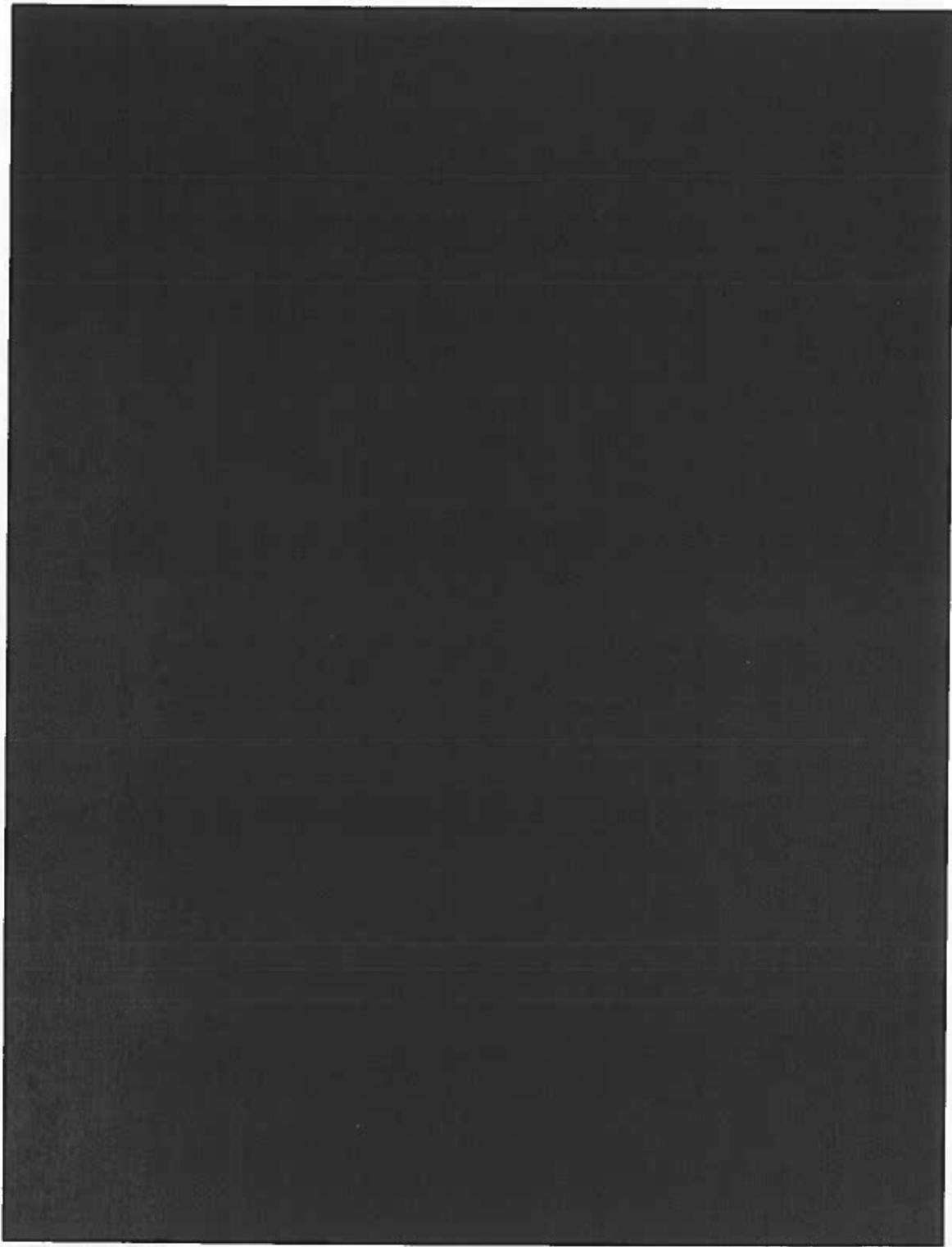


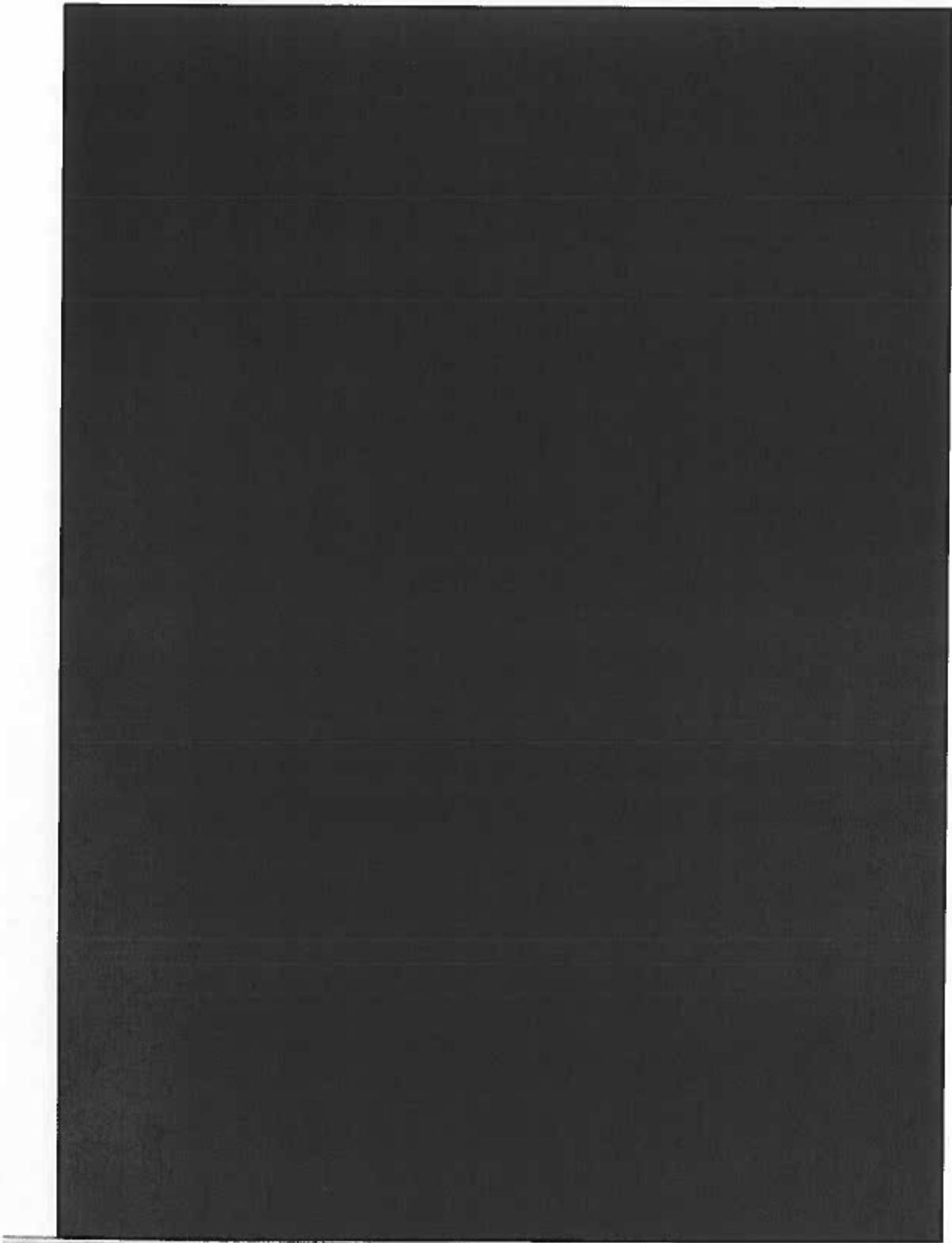


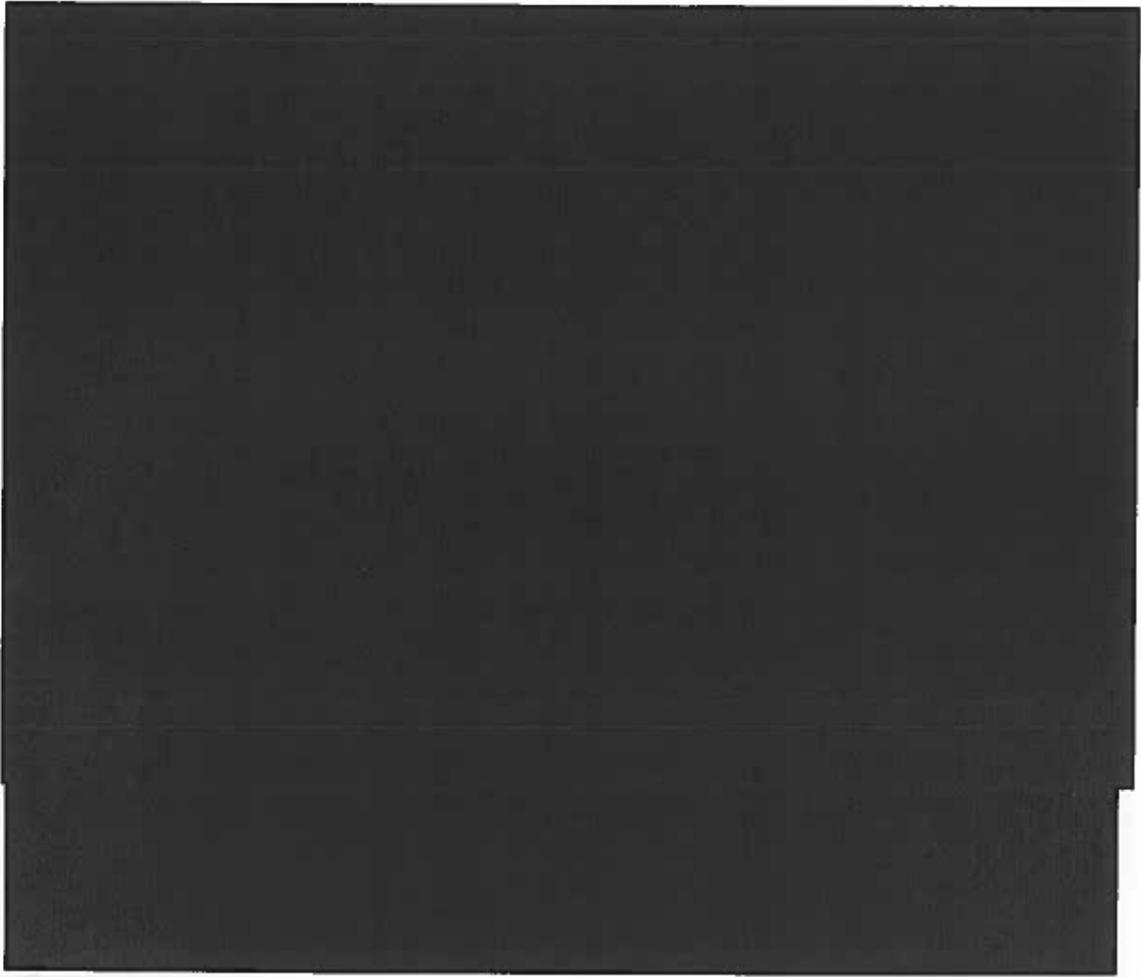












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**SCHEDULE B - SHIPPING DOCUMENT**

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## DOCUMENT D'EXPÉDITION / SHIPPING PAPER

DATE : (mm/j/aa)	HEURE/TIME : (x :xx AM / PM)	N° DOCUMENT D'EXPÉDITION /SHIPPING PAPER N° :	N°:
		N° COMMANDE / PO N°:	N° REMORQUE / TRAILER N° :

EXPÉDITEUR/CONSIGNOR	DESTINATAIRE/CONSIGNEE	TRANSPORTEUR/CARRIER
Gaz Métro GNL 2013, S.É.C.		
Adresse/Address : 1717 rue du Havre Montréal (QC) H2K 2X3 Canada	Adresse/Address :	Adresse/Address :
Point d'origine/Point of origin : Usine LSR 11 201 boulevard Henri-Bourassa Est Montréal (Québec) Canada H1C 1H2	Adresse de livraison/Shipping Address :	
TEL. 1-844-494-2424	TEL.	TEL.

MATIÈRES DANGEREUSES RÉGLEMENTÉES/REGULATED HAZARDOUS MATERIALS		
NUMÉRO 24 HEURES et PIU / 24-HOUR NUMBER and ERP: 1-855-598-8111		Si requis / if any : N° de référence PIU/ ERP N° : 2-1290
DESCRIPTION DE BASE/ BASIC DESCRIPTION		Quantité totale / Total Quantity (kg or lbs)
N° UN et appellation réglementaire / UN N° and Shipping Name	Classe / Class	
UN1972, GAZ NATUREL (à haute teneur en méthane) LIQUIDE RÉFRIGÉRÉ, sans odorisant	2.1	
UN1972, NATURAL GAS, REFRIGERATED LIQUID with high methane content, not odorized	2.1	
Numéro du rapport d'analyse / Analysis Report No :		
BTU /SCF (35,31 BTU /SCF = 1 BTU /SCM)	Hot Tank <input type="checkbox"/>	
Déclaration / Certification : Je déclare que le contenu de ce chargement est décrit ci-dessus de façon complète et exacte par l'appellation réglementaire adéquate et qu'il est convenablement classifié, emballé et muni d'indications de danger - marchandises dangereuses et à tous égards bien conditionné pour être transporté conformément au Règlement sur le transport des marchandises dangereuses. This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.		
SIGNATURE:		
_____ Nom/Name of the Consignor representative		
DESTINATAIRE / CONSIGNEE		TRANSPORTEUR / CARRIER
Reçu en bon état apparent le :		N° du conducteur / Driver No :
SIGNATURE:		SIGNATURE :
_____ Nom/Name of the Consignee representative		_____ Nom du conducteur/ Driver Name



### **1 Measurement methodology to be performed at the truck loading station :**

Every week samples will be taken and analyzed to confirm the LNG composition. The results from the analysis will be applied to the truck load content from the next day up to the result of the next analysis of the following week.

- The vapourised LNG samples will be analyzed using a gas chromatograph. The method to sample and analyze the LNG main components is detailed in section 2.
- Gross calorific values, will be calculated on a mass basis with the results of the gas chromatograph analysis. Calculations are based on the GPA 2172-09 standard.
- Upon arrival at the loading station, each LNG Tanker proceeds through the scale to establish the empty weight.
- When loading is completed, the weight of the LNG Tanker is once again established to determine the loaded weight and the mass of LNG loaded into the tanker.

The total uncertainty of the scale is 0.01%. Scale manufacturer: Avery Weigh Tronix model BMS-P8011 100T equipment certified by Measurements Canada.

### **2. LNG SAMPLING AND ANALYSIS METHOD**

The method has two parts:

- Onsite LNG sampling
- Laboratory analysis to determine LNG composition.

#### **2.1 LNG SAMPLING**

Three (3) consecutive samples are taken on a weekly basis.

Two (2) are analyzed and the third sample is kept for one week. The third sample is analyzed only at the explicit request of the LNG purchaser.

##### **2.1.1. LNG SAMPLING CONDITIONS**

Samples are taken at the LSR plant directly from the LNG recirculation loop, while a tanker is being loaded.

There are two separate sampling takeoffs, depending on whether the LNG is taken from tank L80A or L80B, both comprising a simple needle valve with 1/4" Swagelok connection, located:

- On the L85F pump discharge for tank L80A;
- On the L85E pump suction for tank L80B.

##### **2.1.2. LNG SAMPLE CONTAINERS**

A sample container is a 1,000 ml stainless steel cylinder with isolation valves and a pressure gauge at one end.

The sample containers (three in total) are treated before each sampling operation following those four consecutive steps: after vacuum is done in the container, it is purged with helium (He) during 15 seconds; vacuum is done again and then it is filled with helium at a pressure of approximately 20 psi. Then they are checked to ensure that they are sealed and cannot release contaminants before sampling is carried out.

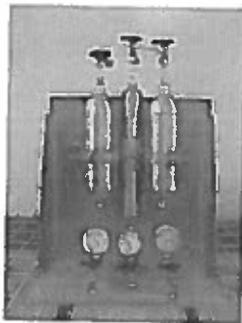


Figure 2-1 Example of Thres-Cylinder Sampling Device

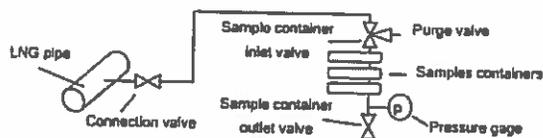
### 2.1.3. LNG SAMPLING METHOD

Sampling involves taking a vaporized sample of LNG to be the most representative of liquid phase LNG.

Before using sample containers, the sample container outlet valve is slowly opened to relieve pressure in the sample container until pressure dropped to almost 5 psi.

Then, a sampling cylinder is connected directly to the sampling takeoff to be used (see 2.1.1 above); the connection must be airtight to prevent any atmospheric contamination.

When the operator opens the connection valve, the liquid phase LNG is vaporized as it passes through the valve, and then flows through the sampling line downstream of the valve.



Once the sampling line has been purged during 30 seconds using the purge valve situated prior the sample cylinder, vaporized LNG can pass through the sample containers during 60 seconds to purge them in closing the purge valve and opening the sample containers inlet and outlet valves. (All the containers have their own valves, which are not illustrated here, to isolate the samples after filling)

Then, the operator closes the sample container outlet valve to let the sample container to be filled with a sample of the vaporized LNG.

When the pressure is stabilized, the sample container inlet valve can be closed to seal the samples containers.

The operator can then close the connection valve, open the purge valve and disconnect the sampling device.

## 2.2 LABORATORY ANALYSIS:

Two (2) LNG samples are analyzed using gas chromatography (GC) and one (1) sample is retained for one week until the next sampling operation. The samples are analyzed the day they are taken or on the next business day.

The mole fraction for the following elements is identified for the samples analyzed:

- Methane (CH<sub>4</sub>),
- Ethane (C<sub>2</sub>H<sub>6</sub>),
- Propane (C<sub>3</sub>H<sub>8</sub>),
- Isobutane (isoC<sub>4</sub>H<sub>10</sub>),
- N-butane (nC<sub>4</sub>H<sub>10</sub>),
- Isopentane (iso-C<sub>5</sub>H<sub>12</sub>)
- N-pentane (N- C<sub>5</sub>H<sub>12</sub>)
- N-hexane (N-C<sub>6</sub>H<sub>14</sub>)
- Nitrogen (N<sub>2</sub>),
- Carbon dioxide (CO<sub>2</sub>).

The LNG composition of the sample is determined, for each constituent element, as the arithmetic average of the analyses of the two samples.

### 2.2.1. MATERIALS USED

The chromatograph used is a VARIAN MicroGC CP4900 with two columns:

- a HayeSep A to detect nitrogen (N<sub>2</sub>), methane (CH<sub>4</sub>), carbon dioxide (CO<sub>2</sub>) and ethane (C<sub>2</sub>H<sub>6</sub>),
- a CPSil 5 CB to detect propane (C<sub>3</sub>H<sub>8</sub>), isobutane, N-butane (C<sub>4</sub>H<sub>10</sub>), Isopentane (iso-C<sub>5</sub>H<sub>12</sub>), N-pentane (N- C<sub>5</sub>H<sub>12</sub>) and N-hexane (N-C<sub>6</sub>H<sub>14</sub>)

The chromatography carrier gas used is 99.999% ALPHAGAZ 1 helium (He). The gas used to calibrate the chromatograph has the following characteristics:

Table 2-1 Composition of the calibration gas used

Element	Reference composition	Actual composition	Acceptable deviation (absolute mole fraction)
iso-pentane	100 ppm	97 ppm	+/- 0.02 %
N-pentane	100 ppm	102 ppm	+/- 0.02 %
N-hexane	100 ppm	106 ppm	+/- 0.02 %
N-butane	300 ppm	307 ppm	+/- 0.015 %
iso-butane	400 ppm	396 ppm	+/- 0.02 %
Propane	900 ppm	1036 ppm	+/- 0.045 %
Carbon dioxide	0.6%	0.60%	+/- 0.03 %
Nitrogen	2%	1.91%	+/- 0.1 %
Ethane	2%	2.02%	+/- 0.08 %
Methane	Complement	95.27%	+/- 0.1 %

### 2.2.2. CHROMATOGRAPH CONTROL

For each sampling operation, before each sampling cylinder is analyzed, the calibration gas is analyzed to ensure that the chromatograph is operating properly.

If the results are not in the acceptable deviation range given in the table 2-1, the chromatograph columns are regenerated and the calibration gas is analyzed again. If the results are deemed satisfactory (in the acceptable deviation range given in the table 2-1), the sampling cylinders can be analyzed. Otherwise, the chromatograph

must be calibrated using the calibration gas.

### 2.3 RESULTS

For each sampling, an analysis report showing the composition of the LNG in mole fractions is developed using the following form and sent the day of the analysis or the next business day.

#### ANALYSIS REPORT

Analysis reference: RA YYYYMMDD-XX

Product: Liquefied Natural Gas

Origin of samples:

Date and time of sampling: dd/mm/yyyy at xx:xx

Date and time of analysis: dd/mm/yyyy at xx:xx

Date report issued: dd/mm/yyyy

Sampling method: Sampling protocol No. 410313

Analysis method: Gas chromatography (GC)

ANALYSIS	Sample composition (% mole)
CH <sub>4</sub> (Methane)	
C <sub>2</sub> H <sub>6</sub> (Ethane)	
C <sub>3</sub> H <sub>8</sub> (Propane)	
Iso-C <sub>4</sub> H <sub>10</sub> (Isobutane)	
N-C <sub>4</sub> H <sub>10</sub> (n-butane)	
Iso-C <sub>5</sub> H <sub>12</sub> (Isopentane)	
N-C <sub>5</sub> H <sub>12</sub> (n-pentane)	
N-C <sub>6</sub> H <sub>14</sub> (n-hexane)	
N <sub>2</sub> (Nitrogen)	
CO <sub>2</sub> (Carbon dioxide)	

One sample is retained until the next sampling program.

With this report, the following data are sent:

- copies of the analysis reports of each sample analyzed;
- copies of the analysis reports of each calibration performed just prior to the sample run;
- copy of the certificate for the calibration gas used.

### 3 Determination Of The Gross Calorific Value

The Gross calorific value, on a mass basis, is established for the gas composition from the chromatograph analysis in accordance with the method recommended by the standard GPA-2172-09, based on the following reference conditions:

- 60°F and 14.73 psia

The mass Gross calorific calculations are established in accordance with the same standard (GPA-2172-09) and under the same reference conditions.

**SCHEDULE "D"**

**Commercial Operation Date Windowing**

1. Gaz Métro LNG expects the date on which the LSR Plant Expansion will become commercially operable ("Commercial Operation Date") to occur between January 1<sup>st</sup> and December 31<sup>st</sup>, 2016 (the "First Window Period").
  2. Gaz Métro LNG shall notify Customer, at the latest on September 1<sup>st</sup>, 2015, of a ninety (90) day period falling within the First Window Period ("Second Window Period") during which the Commercial Operation Date shall occur. Absent such notice, the Second Window Period shall be deemed to be the last ninety (90) days of the First Window Period.
  3. Gaz Métro LNG shall notify Customer at least ninety (90) days prior to the commencement of the Second Window Period of a thirty (30) day period falling within the Second Window Period ("Final Window Period") during which the Commercial Operation Date shall occur. Absent such notice, the Final Window Period shall be deemed to be the last thirty (30) days of the Second Window Period.
  4. Gaz Métro LNG shall notify Customer at fifteen (15) days prior to the commencement of the Final Window Period of the day within the Final Window Period which shall be the Commercial Operation Date, or, absent such notice, the Commercial Operation Date shall be deemed to be the last day of the Final Window Period.
  5. Each window period identified in this Schedule D may be extended, and the Commercial Operation Date may be deferred on a day-for-day basis, in the event of Force Majeure affecting Gaz Métro LNG that delays the LSR Plant Expansion becoming commercially operable.
  6. Notwithstanding anything herein to the contrary, if the LSR Plant Expansion has not become commercially operable by the last day of the Final Window Period as identified pursuant to the above, the Commercial Operation Date shall be the first day on which the LSR Plant Expansion is commercially operable, as notified by Gaz Métro LNG. For all purposes of this Agreement, the LSR Plant shall not be considered "commercially operable" unless it has been commissioned and is capable of delivering LNG in quantities sufficient and quality necessary to permit Gaz Métro LNG to perform its obligations hereunder.
  7. If the Commercial Operation Date does not occur within three hundred sixty (360) days after the last day of the Final Window Period (as such window period may have been extended pursuant due to an Event of Force Majeure), Customer may elect to terminate this Agreement by delivering notice of such election to Gaz Métro LNG.
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1. **Generally.** Gaz Métro LNG shall make available a reasonable number of one (1) hour periods (each a "Loading Window") in order to permit Customer to take up the ACQ in the Contract Year in accordance with the provisions below, and shall use commercially reasonable efforts to accommodate proposed schedules submitted by Customer. However Customer acknowledges that (i) Gaz Métro LNG is responsible for balancing similar requests from its other customers and maintaining operations at the LSR Plant, (ii) Gaz Métro LNG retains ultimate discretion with respect to scheduling matters and (iii) Gaz Métro LNG may require Customer to take delivery of LNG on a 24 hour/365 day schedule.
  2. **Notice of Availability.** Not later than one hundred and twenty (120) days prior to the beginning of each Contract Year, Gaz Métro LNG shall provide to the Customer a non-binding schedule of available Loading Windows for such Contract Year, together with a summary of any planned maintenance to or outages of the LSR Plant for such Contract Year.
  3. **Proposed Delivery Schedule.** Not later than ninety (90) days prior to the beginning of each Contract Year, the Customer shall propose to Gaz Métro LNG a schedule of Loading Windows for the delivery of up to the ACQ over the course of the such Contract Year, which schedule shall result in a delivery pattern whereby: (a) deliveries in any given month do not exceed the MMQ; (b) deliveries in any given month are generally ratable over the month; (c) deliveries in any day do not exceed the MDQ; and (d) deliveries take into consideration the schedule of planned maintenance and outages furnished to Customer by Gaz Métro LNG.
  4. **Annual Delivery Schedule.** Not later than sixty (60) days prior to the beginning of each Contract Year, after taking into account the proposed delivery schedules received from Customer and its other customers, Gaz Métro LNG shall issue to Customer a delivery schedule for such Contract Year (the "Annual Delivery Schedule") showing a scheduled Loading Window for each LNG truckload to be delivered to Customer.
  5. **Monthly Delivery Schedule.** No less than fifteen (15) days prior to the beginning of each month, Gaz Métro LNG shall confirm the final delivery schedule for such month ("Monthly Delivery Schedule"), which schedule shall identify any changes to Customer's Annual Delivery Schedule. Customer's Monthly Delivery Schedule shall be final and binding in all respects unless changed by Gaz Métro LNG in accordance herewith.
  6. **Available Loading Windows: Change Requests.** Throughout the Contract Year, Gaz Métro LNG shall maintain a current list of available Loading Windows. Customer may propose to Gaz Métro LNG to change any scheduled Loading Window to an available Loading Window, and Gaz Métro LNG shall notify Customer whether such change is accepted.
  7. **Customer Cancellations and Make-Up.** Customer shall promptly notify Gaz Métro LNG if any anticipated delay or inability to cause an LNG Truck to arrive and take delivery within its scheduled Loading Window. If Customer fails or is unable to cause any LNG Tank to arrive and take delivery within its scheduled Loading Window, the affected Loading Window shall be cancelled. For avoidance of doubt, the cancellation of any such Loading Window shall not reduce the Customer's obligations regarding
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the ACQ. If requested by Customer in connection with any cancelled Loading Window, Gaz Métro LNG shall use commercially reasonable efforts to schedule a make-up Loading Window to the extent of any available Loading Windows, and Customer shall be responsible for any incremental costs incurred by Gaz Métro LNG in making such make-up Loading Window available.

**SAFETY DATA SHEET**  
**LIQUIFIED NATURAL GAS**



**Information about the product**

<b>Name of product</b>	Liquefied Natural Gas	<b>Chemical family</b>	Mixture of petroleum hydrocarbons
<b>Synonyms</b>	LNG, liquefied gas, natural gas in a liquid state	<b>Usage</b>	Fuel or fuel supply for various processes
<b>WHMIS Resource Person</b>	Emmanuelle Quirion-Boivin	<b>Manufacturer/Supplier</b>	Gaz Métro, LSR Plant 11201 Henri-Bourassa Blvd. E. Montréal, Québec Canada H1C 1H2  Tel: 514 494-2424 Fax: E-mail: www.gazmetro.com
<b>Emergency telephone no.</b>	Technical Support 514 494-2424		

**Hazardous components**

Components	CAS R	Concentration: % per volume	DL <sub>50</sub>	CL <sub>50</sub>
Methane	74-82-8	98.3	N/A	N/A
Ethane	74-84-0	1.7	N/A	N/A

**Physico-chemical characteristics (Methane)**

<b>Molecular formula</b>	CH <sub>4</sub>	<b>Melting point</b>	-182.4°C
<b>Physical form</b>	Liquefied gas (cryogenic liquid)	<b>Density</b>	0.415 at -164°C
<b>Appearance</b>	Limpid liquid Cold vapour; white cloud	<b>Molecular weight</b>	16.043 g/mol
<b>Colour and odour</b>	Colourless and odourless (or very faint odour)	<b>Vapour pressure</b>	4.52 Mpa
<b>Odour threshold</b>	N/A	<b>Evaporation rate</b>	Not determined
<b>Vapour density (air)</b>	0.6	<b>Water/oil partition coefficient</b>	0.0812
<b>Boiling point</b>	-161.5 °C (1 atm)	<b>pH</b>	Not applicable
<b>Freezing point</b>	-182.47°C	<b>Gas/liquid equivalent</b>	630 v/v (1.013 bar, 15°C)

**Reactivity**

<b>Chemical stability</b>	Stable	<b>Incompatible products</b>	Keep away from air, oxygen, strong oxidizing agents, chlorine and fluoride compounds and other halides.
<b>Reactivity condition(s)</b>	Keep away from sources of ignition and heat, high temperatures, naked flames, sparks, welding, static electricity, and other ignition sources. Do not smoke.	<b>Hazardous decomposition products</b>	CO, CO <sub>2</sub> , lumes
		<b>Polymerization</b>	N/A

**Fire and explosion risks**

<b>Flash point</b>	-136 °C (methane)	<b>Flash point method</b>	N/A	<b>Upper explosive limit</b>	14.9%
<b>Auto-ignition temperature</b>	537 °C	<b>Sensitivity to impacts</b>	No data available	<b>Hazardous combustion products</b>	Carbon compounds
<b>Flammable or explosive limits</b>	Below 5.0% @ 25°C Above: 15.4% @ 25°C	<b>Extinguishing methods</b>	Dry chemical (BC), high expansion foam. Water spray (A) may be used to cool the contents.	<b>Sensitivity to electrostatic charge</b>	Gaseous methane, within the flammable or explosive limits, can easily ignite if subject to a sufficiently high-energy electrostatic discharge

**Fire and explosion risks (cont.)**

Special techniques	<ul style="list-style-type: none"> <li>→ Do not try to extinguish the fire if the gas leak cannot be stopped. Intervene at a distance, approaching downwind, if necessary. If needed, use a combustible gas detector (explosimeter). Establish a security perimeter.</li> <li>→ In case of fire, and if it can be done safely, close the gas inlet valve.</li> <li>→ The vapours generated during a significant spill of liquefied gas may travel a long way to a distant ignition source and produce a flashback.</li> <li>→ The spilled liquid may pool on the ground and flow toward lower points until the cloud temperature rises to more than 100°C.</li> <li>→ Do not use carbon dioxide, low-expansion foam, or a strong water spray directly on the liquefied gas.</li> <li>→ Using water or any other liquid at room temperature directly on the liquefied gas will instantaneously vaporize the gas.</li> <li>→ Wear a supplied air respirator near the leak to avoid any risk of asphyxiation.</li> <li>→ Cool the exposed contents with water spray. Help the gas cloud to disperse using a water spray.</li> </ul>
Explosibility conditions	<ul style="list-style-type: none"> <li>→ The vapours may form a flammable mixture with air which, in the case of ignition, may react with explosive force.</li> <li>→ Risk of RPT (Rapid Phase Transition). The significant difference in temperature between the LNG and a hotter liquid may cause the almost instantaneous vaporization of the LNG. The sudden increase in total volume occupied by the LNG may generate a 'cold explosion' shock wave (sudden generation of overpressure but without combustion).</li> </ul>
Hazardous combustion product	CO

**Toxicological properties**

WHMIS	Classification B1 Flammable gas 
Absorption or exposure points	Respiratory tracts and skin. Physiologically inert. Ingestion unlikely during normal industrial use.
Contact with the skin and the eyes	<ul style="list-style-type: none"> <li>→ Tissue damage caused by frostbite on contact with liquefied gas. The vapours are not irritants. However, direct contact of the eyes, skin or mucous membranes with the cold vapours or liquid gas may cause frostbite, burns, and permanent ocular and skin lesions.</li> <li>→ The signs of frostbite are a change in the colour of the skin to grey or white, followed later by blisters. The skin may become inflamed and painful.</li> </ul>
Acute exposure/Exposure to vapours	<ul style="list-style-type: none"> <li>→ The vapours have a narcotic effect. Because of the very rapid rate of evaporation, all the air may be displaced, leading to a risk of asphyxiation.</li> <li>→ Methane is a simple asphyxiant. Exposure to very high concentrations of methane may induce asphyxiation since it displaces the oxygen in the air.</li> <li>→ The principal symptoms associated with asphyxiation are rapid pulse and respiration, headaches, dizziness, visual problems, mental confusion, impaired coordination, mood changes, muscular weakness, trembling, cyanosis, narcosis, numbness of the extremities, unconsciousness leading to a lesion in the central nervous system that may result in death by anoxia.</li> <li>→ The effects of asphyxiation may be felt more rapidly during physical effort since oxygen consumption is increased.</li> <li>→ Even though considered non-toxic by inhalation, exposure to high concentrations of LNG may cause a depression of the nervous system (rapid respiration, dizziness, somnolence, headaches – symptoms similar to those of drug use), but without any long-term effects.</li> <li>→ People with pre-existing heart, lung and/or blood conditions may have an increased sensitivity to symptoms of asphyxiation.</li> </ul>
Chronic exposure	No data

Components	Exposure limits for each component		OHSR
	CAS #	Concentration % (P/T)	
Methane	74-82-8	98.3	Simple asphyxiant
Ethane	74-84-0	1.7	

**SIMPLE ASPHYXIAN:** A physiologically inert gas that exerts its action by displacing the oxygen in the air and that may thus lower the percentage volume of oxygen below the 19.5% needed to maintain oxygen saturation.

Irritancy and corrosive properties	Possibility of frostbite on contact with liquefied gas.
Sensitivity to the product	No data concerning respiratory or skin sensitivity was found in the documentary sources consulted.
Carcinogenicity	No data concerning a carcinogenic effect was found in the documentary sources consulted (OSHA, ACGIH).
Toxic effects on reproduction	No data concerning effects on reproduction was found in the documentary sources consulted.
Teratogenicity	No data concerning a teratogenic effect was found in the documentary sources consulted.
Mutagenicity	No data concerning a mutagenetic effect either in vivo or in vitro on mammary cells was found in the documentary sources consulted.
Toxicologically synergistic products	No data available

**Preventive measures**

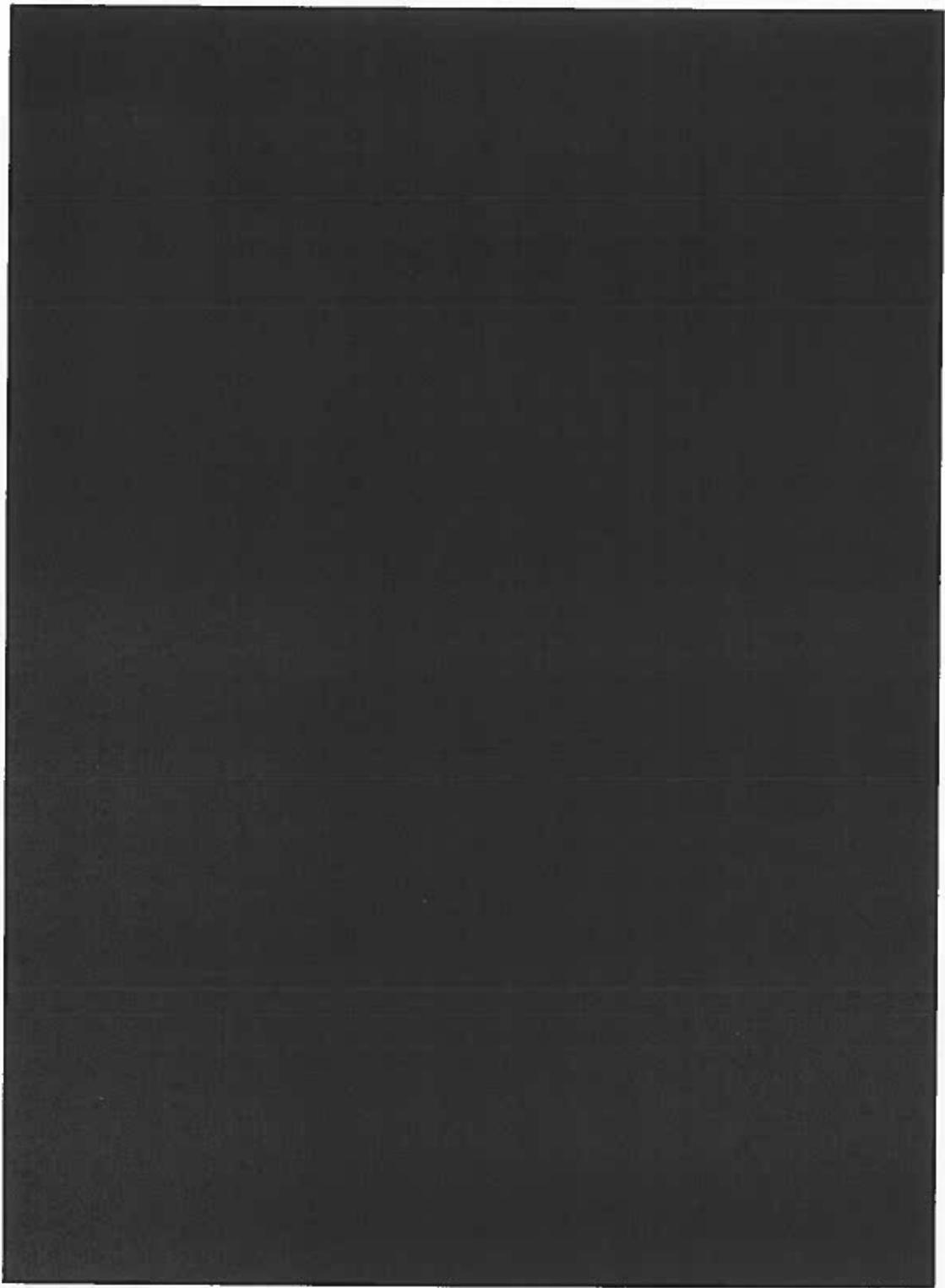
Protective equipment	Eyes	Wear safety glasses if there is a risk splashes of methane in the form of refrigerated liquefied gas. The choice of eye protection, goggles, face shield etc., depends on the nature of the work to be done and the risk of exposure.	
	Skin	In case of risk of contact with refrigerated liquefied gas, wear an apron, a face shield and waterproof low-temperature resistant clothing. Flame-retardant clothing may also be worn, depending on the nature of the work and the risk of fire.	
	Inhalation	<ul style="list-style-type: none"> <li>→ Wear a supplied-air respirator if the concentration in the work area is likely to induce asphyxiation.</li> <li>→ Use an ANIOSH/MSHA approved, positive pressure air purifying respirator in the case of a leaking cylinder or self-contained breathing apparatus (SCBA) when the concentration of atmospheric oxygen is low or uncertain.</li> <li>→ Note: The flammability limit needs to be considered when evaluating the need to expose personnel to concentrations that require a choice of respiratory protection.</li> <li>→ Refer to OSHA 29 CFR 1910.134, ANSI Z88.2-1992 or the ANIOSH Respirator Decision Logic, the steps proposed by CSA Standard Z94.4-93, for additional advice on the choice of respiratory protection.</li> </ul>	
Specific technical mechanisms to be used	Keep away from flames, sparks and excessive temperatures. Never respond alone to a significant incident.		
Manipulation methods and equipment	Use only in well ventilated areas. See also OSHA regulations regarding the manipulation of this product, including 29 CFR 1910.110 Standard: Storage and handling of liquefied petroleum gases.		
Measures to be taken in case of a leak or spill	<ul style="list-style-type: none"> <li>→ Activate the Emergency Measures Plan in case of a spill.</li> <li>→ Evacuate non-essential personnel and establish a security perimeter.</li> <li>→ Suppress or control all sources of inflammation.</li> <li>→ Check the condition and characteristics of the container.</li> <li>→ Consider the meteorological conditions (wind speed and direction, temperature, humidity).</li> <li>→ Stay upwind and, if possible, evaluate the direction taken by the product.</li> <li>→ The vapour cloud may be white, but the colour dissipates and there is always the risk of a fire or an explosion.</li> <li>→ Do not flush, or allow the LNG to flow, down the drain or into the sewer system. Check if combustible gases are present in the sewers, underground structures and buildings.</li> <li>→ Do not touch the spilled liquid.</li> <li>→ Use water spray to disperse vapours.</li> <li>→ Isolate the area until the gas has dispersed.</li> <li>→ Aerate and test the area before entering.</li> </ul>		
Elimination of residues	<ul style="list-style-type: none"> <li>→ Let the gas escape into the atmosphere.</li> <li>→ In case of a leak from a cylinder, close the cylinder and return it to the supplier.</li> <li>→ In the case of significant quantities, consult the regional office of the environmental authority that has jurisdiction.</li> </ul>		
Storage	Store only in approved containers. See also OSHA regulations regarding the manipulation of this product, including Standard 29 CFR 1910.110: Storage and handling of liquefied petroleum gases.		
Shipping and transporting	UN Number: UN1972 NATURAL GAS (high concentration of methane) REFRIGERATED LIQUIDE	Classification: 2.1 Flammable gas	

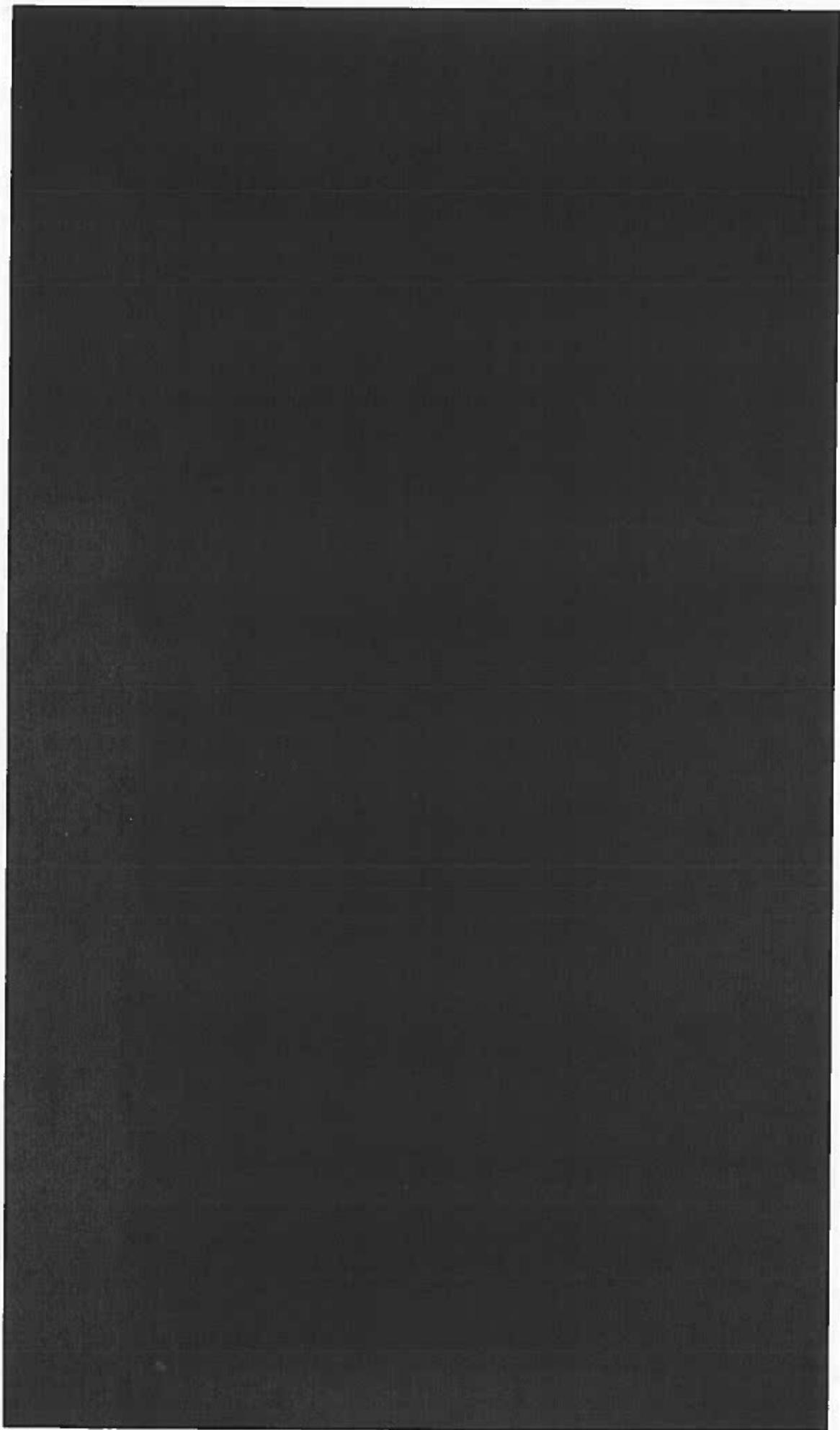
**First aid**

Contact with the eyes	<ul style="list-style-type: none"> <li>→ In case of frostbite or freezing, gently rinse the eyes with warm water. <b>DO NOT RINSE THE EYES WITH HOT WATER.</b></li> <li>→ Keep the eyelids open wide to allow the liquid to evaporate.</li> <li>→ If the person cannot tolerate the light, protect the eyes with a bandage or a handkerchief.</li> <li>→ Do not put any ointment in the eyes without medical advice.</li> <li>→ Immediately consult a doctor.</li> </ul>
Contact with the skin	<ul style="list-style-type: none"> <li>→ Remove contaminated clothing and rinse the affected area with warm water.</li> <li>→ The exposed area may be warmed, but <b>DO NOT USE HOT WATER.</b></li> <li>→ Consult a doctor immediately in the case of frostbite or blisters.</li> </ul>
Inhalation	<ul style="list-style-type: none"> <li>→ Transport the exposed person to the fresh air.</li> <li>→ If the person is not breathing, call 911 or an ambulance, then administer CPR.</li> <li>→ If breathing is difficult, give oxygen.</li> <li>→ Never try to make an unconscious person drink; do not leave victims unattended.</li> <li>→ Consult a doctor immediately.</li> </ul>

**Information about the preparation of the Safety Data Sheet**

Preparation of the Safety Data Sheet	Envirospec Normand Dallaire, Chemist, OGE, M. Env. Tel: 450 346-1763 Cell: 514 570-3913	Date of preparation of the Safety Data Sheet	03-07-2012 To be revised by [date of Safety Data Sheet + 3 years] or if new pertinent information becomes available.
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## **SCHEDULE H – INFORMATION REQUIREMENTS**

To be provided to Gaz Métro LNG, at the latest, 5 business days before the first loading - *Section 5(d)*

No.	Requirements
1)	The list of the Customer's and Transporter's employees directly involved in the execution of the Agreement and their respective contact information. <i>Section 5(a)</i>
2)	A sworn declaration from a Customer authorized officer certifying that all the LNG delivered to Customer pursuant to this Agreement will be exported to the United States of America. The sworn declaration must be in the form attached hereto in order, for the customer, to be exonerated from the obligation to pay the CTEAS price, the GST and the QST. <i>Section 3(h)</i>
3)	The Transporter company name, the drivers list, the driver's license numbers and the necessary documentation demonstrating that each driver is able to transport hazardous material and LNG. <i>Section 5(d)</i>
4)	For the LNG to be exported : <ul style="list-style-type: none"><li>• A copy of the exportation permit (NEB);</li><li>• A copy of all the required custom documents (Customs Broker) ACE/ACI eManifest;</li></ul> <i>Sections 5(d) and 6(b)</i>
5)	Written confirmation by Customer that all the rules and circulation procedures at the LSR plant was provided to each driver of the Transporter assigned to the present Agreement. <i>Section 5(j)</i>
6)	The route for the LNG transportation. <i>Section 6(d)</i>
7)	Written confirmation by Customer that all the necessary information concerning the risks related to the transport of LNG, as well as the information in relation with the emergency response plan (ERP) for LNG transportation, was provided to the Transporter. <i>Section 6(f)</i>
8)	Copy of the insurance policies according to the Agreement. <i>Sections 10(b) and 10(d)</i>

**AFFIDAVIT**

I, NAME of FULL RESIDENTIAL ADDRESS in the state of \_\_\_\_\_, U.S.A., make oath and say as follows:

1. I, TITLE OF THE PERSON, of LEGAL NAME OF THE COMPANY (the "Company") and have personal knowledge of the matters hereinafter set forth.

(a) The Company is a customer of Gaz Métro LNG 2013, L.P. ;

(b) For the period starting from January 1<sup>st</sup>, \_\_\_\_\_ until December 31<sup>st</sup>, \_\_\_\_\_ (the "Term"), the Company bought from Gaz Métro LNG 2013, L.P. \_\_\_\_\_ kg of liquefied natural gas (« LNG ») ;

(c) All the LNG bought from Gaz Métro LNG 2013, L.P. during the Term has been transported by truck outside the Province of Québec, Canada, i.e. in the United States of America. Therefore, none of this LNG [will be] [has been] withdrawn for consumption by a customer in the Province of Quebec.

SWORN BEFORE ME at the City of \_\_\_\_\_, in the state of \_\_\_\_\_, U.S.A., on DATE \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE  
NAME OF THE COMMISSIONER

A Commissioner for taking Affidavits  
for state of \_\_\_\_\_, U.S.A.

\_\_\_\_\_  
SIGNATURE  
NAME OF THE PERSON  
TITLE

\_\_\_\_\_

Contractor Insurance  
LNG - Winter Trucking Insurance Exhibit

1. INSURANCE

1.1. From the commencement of the Agreement, through final expiration or longer where specified below, the Contractor shall provide and maintain, at its own expense, insurance policies, intended to be primary (with no right of contribution by any other coverage available to the Insured Parties), covering all Work and Services to be performed under or in connection with this Agreement, issued by reputable insurance companies with an A.M. Best Rating of at least B+, which at least meet or exceed the requirements listed herein:

1.1.1. Workers Compensation and Employers Liability Insurance as required by the applicable law. Coverage shall include the U.S. Longshoremen's and Harbor Workers Compensation Act, the Jones Act, and Alternate Employer endorsement, if applicable. The employer's liability limit shall be at least \$1,000,000 each per accident, per person disease and disease policy limit. In the event the Alternate Employer endorsement has not been added to the policy at the time a claim arises, the Contractor shall indemnify and hold harmless the Insured Parties from any liability that would have otherwise been covered had that endorsement been added. If the Contractor is exempt from having to obtain and maintain workers' compensation coverage due to their legal status as a sole proprietor or partnership, Contractor shall obtain: 1) Long term disability insurance covering any illness or injury incurred in connection with this Agreement that prevents the Contractor from working, with benefits of at least 50% of the Contractor's monthly income on the last day before the disability begins; and 2) Health care insurance, covering any loss occasioned by bodily injury, sickness or disease, and medical expense, with limits, coverage, deductibles, co-insurance payments, and any other cost sharing features customarily maintained by other contractors of a similar size and business nature.

1.1.2. Commercial General Liability Insurance ("CGL"), covering all Work to be performed under the Agreement, with minimum limits of:

Combined Single Limit \$1,000,000 per occurrence  
General Aggregate and Product Aggregate \$2,000,000

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This policy shall include Contractual Liability (with this Agreement being included under the definition of "Insured Contract" thereunder), Products-Completed Operations coverage, and, if applicable, explosion, collapse, and underground coverage ("XC&U"). If the Products-Completed Operations coverage is written on a claims-made basis, coverage shall be maintained continuously until the later of: (a) three years after Final Acceptance, or (b) the applicable state statute of repose.

- 1.1.3. Automobile Liability, covering all owned, non-owned and hired vehicles used in connection with all Work or Services to be performed by or on behalf of Contractor with minimum limits of:

Combined Single Limit \$1,000,000 per occurrence

Coverage shall include the MCS-90 endorsement (Motor Carriers Policies of Insurance for Public Liability under Section 30 of the Motor Carriers Act of 1980).

- 1.1.4. Umbrella or Excess Liability, with a minimum per occurrence limit of \$30,000,000. This coverage shall run concurrent to the CGL required in 1.1.2 above, shall apply excess of the required automobile, CGL and employer's liability coverage required in this Insurance Section, and shall provide additional insured status as outlined below.
- 1.1.5. The Contractor shall name the Insured Parties as additional insureds, in order to provide the same protection under the Contractor's policies as other insureds automatically covered, on the coverages in Sections 1.1.2, 1.1.3, and 1.1.4. The following language should be used when referencing the additional insured status: National Grid USA, its direct and indirect parents, subsidiaries and affiliates shall be named as additional insured. These policies shall be primary and noncontributory for liabilities associated with or arising out of all Work or Services to be performed by or on behalf of the Contractor, including ongoing and completed operations.
- 1.1.6. Contractors Pollution Liability ("CPL"): covering any sudden and accidental pollution liability which may arise out of, under, or in connection with this Agreement, including all Work and Services to be performed by or on behalf of Contractor, or that arise out of the Contractor's use of any owned, non-owned or hired vehicles, with a minimum liability limit of: (a) Bodily Injury ("BI") - \$1,000,000 per occurrence and Property Damage ("PD") - \$500,000 per occurrence; or (b) Combined Single Limit - \$1,000,000 per occurrence. This coverage shall apply on a per project basis. This requirement may be satisfied by providing either this CPL policy, which would include naming the Insured Parties, including their officers and employees, as additional insured's as outlined in this section OR by
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providing coverage for sudden and accidental pollution liability under the CGL and commercial automobile insurance policies required above - limited solely by the Insurance Services Organization ("ISO") standard pollution exclusion, or its equivalent. In the event the Contractor is unable to secure and/or maintain any or all of this sudden and accidental pollution liability coverage, the Contractor agrees to indemnify and hold the Insured Parties harmless against any and all liability resulting from any coverage deficiency that is out of compliance with this insurance requirement

- 1.1.7. Risk of Loss: The Contractor shall be responsible for all risk of loss to its equipment and materials, and any other equipment and materials owned by its employees or by other third parties that may be in their care, custody and control. If this coverage is excluded from the Commercial General Liability policy, then Company will accept coverage under the Contractor's property policy. In the event that any Goods are supplied by the Insured Parties, Company will provide the insurable value of the Goods to the Contractor in writing, both cumulatively and on a maximum per item basis. The Contractor will provide replacement cost insurance for these Goods under a blanket builder's risk policy, an equipment floater, or other equivalent coverage, while such Goods are under the care, custody and control of the Contractor. Such insurance shall cover all Goods outlined in the Agreement or as noted on subsequent contract amendments. The coverage limit shall apply on either a per location basis or a maximum per item basis, and shall name the Insured Parties, as a Loss Payee with respect to their insurable interest.
2. These requirements are in addition to any which may be required elsewhere in this Agreement. In addition, the Contractor shall comply with any governmental and/or site-specific insurance requirements even if not stated herein. This includes providing evidence of insurance and additional insured status, if necessary, to any third party property owner on which the Contractor's work activities associated with this Agreement may be taking place as required by law or permit. The Contractor shall comply with any governmental and/or site-specific insurance requirements even if not stated herein.
3. Subcontractors. In the event that the Contractor uses subcontractors in connection with the provision of the Goods, the Contractor shall require all such contractors provide the same insurance coverages as shown in Sections 1.1.1, 1.1.2, 1.1.3, and 1.1.4. The Contractor shall remain liable for the performance of the contractor, and such contract relationship shall not relieve the Contractor of its obligations under this agreement. In addition, such contractor shall name both the Insured Entities and Contractor as additional insured under the coverages in Sections 1.1.2, 1.1.3, and 1.1.4. If requested, Contractor will provide Company with an insurance certificate from its contractor evidencing this coverage.
4. Certificate(s) of Insurance. Prior to providing the Services or starting the Work, the Contractor shall promptly provide the Company with Certificate(s) of Insurance for all

coverages required in the Agreement at the address National Grid USA, Attention Risk & Insurance Department, 300 Erie Blvd West, A-4, Syracuse, NY 13202. Such certificates, and any renewals or extensions thereof, shall provide that at least 30 days prior written notice shall be given to the Company in the event of any cancellation or diminution of coverage and shall outline the amount of deductibles or self-insured retentions which shall be for the account of the Contractor. Such deductibles or self-insured retentions shall not exceed \$100,000 unless agreed to by the Company's Risk & Insurance Department.

5. Any combination of Commercial General Liability, Automobile Liability and Umbrella Liability policy limits can be used to satisfy the limit requirement in Sections 1.1.2 ("CGL"), 1.1.3 ("Automobile Liability") and 1.1.4 ("Umbrella or Excess Liability") above. Proof of qualification as a qualified self-insurer, if approved in advance in writing by Company, will be acceptable in lieu of securing and maintaining one or more of the coverages required in this Insurance Section 23.0. Such acceptance by Company shall become a part of this insurance provision by reference herein.
6. The Contractor and its insurance carrier(s) shall waive all rights of recovery against the Insured Parties and their directors, officers and employees, for any loss or damage covered under those policies referenced in this Insurance provision, or for any required coverage that may be self-insured by the Contractor. To the extent the Contractor's insurance carriers will not waive their right of subrogation against the Insured Parties, the Contractor agrees to indemnify the Insured Parties for any subrogation activities pursued against them by the Contractor's insurance carriers. However, this waiver shall not extend to the gross negligence or willful misconduct of the Insured Parties or their employees, subcontractors or agents.
7. If any policy should be canceled before final payment by the Company to the Contractor and the Contractor fails immediately to procure other insurance as specified, the Company reserves the right to procure such insurance and to deduct the cost thereof from any sum due the Contractor under the Agreement or to invoice the Contractor.
8. The Contractor shall furnish the Company's Risk & Insurance Department with copies of any accident report(s) sent to the Contractor's insurance carriers covering accidents, incidents or events occurring in connection with or as a result of the provision of the Work or Services. If the Company is named in a lawsuit involving the operations and activities of the Contractor associated with this agreement, the Contractor shall promptly provide copies of all insurance policies relevant to this accident or incident if requested by Company.
9. The Contractor represents that it has full policy limits available and shall notify the Company's Risk & Insurance Department in writing when coverages required herein have been reduced as a result of claim payments, expenses, or both.

10. Nothing contained in these Insurance requirements is to be construed as limiting the extent of the Contractor's responsibility for payment of damages resulting from its work under the Agreement, or limiting, diminishing, or waiving the Contractor's obligation to indemnify, defend and save harmless the Company and the Indemnified Parties in accordance with these Terms and Conditions.