



## INSURANCE REQUIREMENTS FOR INTERRUPTIBLE LIQUEFACTION AND DELIVERY SERVICE

The Interruptible Liquefaction and Delivery Service (ILD Service) Rate Schedule requires that Shipper and/or its carrier companies have proper insurance acceptable to Northern Natural Gas Company (Northern) from an insurance company in good standing acceptable to Northern, and Shipper shall provide or cause to be provided, to Northern a certificate of insurance, prior to the movement of any vehicle onto Northern's property. Prior to the start of the ILD Service, and at all times during the term of the Service, Shipper shall purchase, at its own expense, and maintain with insurance companies in good standing and acceptable to Northern, such insurance as will protect Shipper and Northern, if applicable, from liability and claims for injuries and damages which may arise out of or result from Shipper's operations under the ILD Service and for which Shipper may be legally liable, whether such operations are by Shipper or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

The ILD Service includes indemnity, and such indemnification shall be covered by insurance. For the further protection of Shipper and Northern, but without restricting or waiving any obligations of Shipper under the ILD Service, Shipper shall insure the risks associated with the ILD Service with minimum coverages and limits as set forth below:

1. Workers' Compensation Insurance and Occupational Disease Insurance in accordance with statutory requirements of the state and/or Federal Regulations (FELA, USL&H, Jones Act) and Employers' Liability Insurance with limits of not less than the following covering location of all work places involved in the ILD Service:

Bodily Injury by Accident \$500,000 Each Accident  
Bodily Injury by Disease \$500,000 Policy Limit  
Bodily Injury by Disease \$500,000 Each Employee

2. The most recently approved ISO Commercial General Liability Insurance policy, or its equivalent, written on an Occurrence Basis, with limits not less than \$1,000,000 per occurrence/\$2,000,000 general aggregate (on a per location and/or per job basis) Bodily Injury and Property Damage, including the following coverages.

- a. Premises and Operations Coverage
- b. Independent Contractor's Coverage
- c. Contractual Liability
- d. Products and Completed Operations Coverage
- e. Coverage for explosion, collapse, and underground property damage
- f. Broad Form Property Damage Liability
- g. Personal Injury Liability, with the contractual exclusion removed
- h. Sudden and Accidental Pollution Liability, as appropriate

3. The most recently approved ISO Business Automobile Liability Insurance policy, or its equivalent, covering owned, hired and non-owned vehicles with limits not less than \$1,000,000 each accident Bodily Injury and Property Damage combined. The policy shall include the pollution liability-broadened coverage endorsement CA9948 and the MCS-90 form, or their equivalent.

4. Umbrella Liability Insurance with a minimum limit of \$10,000,000 each occurrence/aggregate where applicable to be excess of the coverages and limits required in subsections 1 (employer's liability only), 2 and 3 above. Shipper shall notify Northern, if at any time their full umbrella limit is not available during the term of ILD Service, and will purchase additional limits, if requested by Northern.

Shipper shall, prior to the date the ILD Service commences, deliver to Northern certificates of insurance evidencing valid coverage in effect as specified. All Workers' Compensation, Commercial General Liability and Umbrella Liability policies shall contain provisions that the insurance companies will have no right of recovery or subrogation against Northern, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the parties that the insurance as effected shall protect all parties. The Commercial General Liability policy waiver of subrogation endorsement shall be ISO Form CG 24 04 or its equivalent. All required insurance policies shall provide that the policy is primary and will not contribute with any policy carried by Northern.

Northern, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees, and servants shall be named as an additional insured in each of Shipper's insurance policies, except statutory Workers' Compensation and Professional Liability. The Commercial General Liability additional insured endorsement shall be ISO Form CG 20 10 or its equivalent.

For any claim related to the ILD Service, Shipper's insurance coverage shall be primary insurance with respect to Northern, its parent, affiliates, subsidiaries, officials and employees. Any insurance or self-insurance maintained by Northern, its parent, affiliates, subsidiaries, officials and employees shall be excess of Shipper's insurance and shall be non-contributing.

Any and all deductibles in the above-described insurance policies or inadequacy of limits shall be assumed by, for the account of and at Shipper's sole risk.

No cancellation or material reductions of coverage in the policies shall become effective except on thirty (30) days' written notice thereof to Northern. For those insurance coverages whereby Northern is required to be named as an additional insured, Shipper may at any time be requested by Northern prior to or during the term of the ILD Service, to deliver to Northern certified copies of any and all insurance policies so requested. Further, should a loss arise during the term of the ILD Service that may give rise to a claim against Shipper, and/or Northern as additional insured, Shipper shall deliver to Northern, or shall cause its insurers or agents to deliver, certified copies of the policies maintained during the term of the ILD Service, if so requested by Northern.

Should Shipper or its Subcontractors fail to provide or maintain any of the insurance coverages referred to herein, Northern shall have the right, but no obligation,

to provide or maintain such coverage, or coverage affording equivalent protection, at Shipper's expense, either by direct charge or set-off.

Northern does not represent that the insurance coverages specified herein, whether in scope of coverage or amounts of coverage, are adequate to protect the obligations of Shipper, and Shipper shall be solely responsible for any deficiencies thereof. Nothing herein shall be deemed to limit Shipper's liability under ILD Service.

#### CARRIER'S or SUBCONTRACTOR'S INSURANCE

Should the Shipper use a carrier company or subcontractor for the ILD Service, Shipper shall, before permitting its carrier or subcontractor to perform any aspect of the ILD Service, require each carrier or subcontractor to carry insurance with terms and limits identical to that specified herein, or provide evidence that such carriers or subcontractors are covered as Named Insureds under Shipper's insurance coverages as required herein. Prior to the commencement of ILD Service, Shipper shall provide to Northern certificates of insurance evidencing that each carrier or subcontractor carries insurance as required herein, or evidencing that such carriers or subcontractors are named insureds under Shipper's insurance coverages. As with Shipper's insurance coverage, Northern, its parent, divisions, subsidiary companies, affiliates, co-lessees, or co-venturers, agents, directors, officers, employees and servants shall be named as an additional insured on any carrier's or subcontractor's insurance required herein.