

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
THE ELECTRONIC APPLICATION OF)
COLUMBIA GAS OF KENTUCKY, INC. FOR AN)
ADJUSTMENT OF RATES; APPROVAL OF)
DEPRECIATION STUDY; APPROVAL OF TARIFF)
REVISIONS; ISSUANCE OF A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY; AND)
OTHER RELIEF)
)

Case No. 2021-00183

**COLUMBIA GAS OF KENTUCKY, INC.'S
FILING RESPONSIVE TO THE COMMISSION'S
MAY 15, 2023 ORDER**

FILED: June 14, 2023

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 5, 2021

34. Provide detailed descriptions of all early retirement plans or other staff reduction programs the utility has offered or intends to offer its employees during either the base period or the forecasted test period. Include all cost-benefit analyses associated with these programs.

Response:

Columbia did not offer any early retirement programs during the base period and does not currently plan to offer any early retirement plans during the forecasted test year. Columbia notes that its parent, NiSource, offered a voluntary separation program in 2020 and two Columbia employees took advantage of this offering. Details of their separation are as follows:

				Annual Base (2020 \$)	2020 Cash Savings	2021 Cash Savings	2022 Cash Savings					Annual ER Cost
				146,120	-	-	155,019.11					5,994.92
				62,270	15,354	64,138.24	66,062.39					12,914.00

O&M Base Labor Savings - 2020	O&M Base Labor Savings - 2021	O&M Base Labor Savings - 2022	O&M Benefit Labor Savings - 2020	O&M Benefit Labor Savings - 2021	O&M Benefit Labor Savings - 2022	CAP Base Labor Savings - 2020	CAP Base Labor Savings - 2021	CAP Base Labor Savings - 2022	CAP Benefit Labor Savings - 2020	CAP Benefit Labor Savings - 2021	CAP Benefit Labor Savings - 2022
-	-	155,019	-	-	66,452	-	-	-	-	-	-
15,357	64,148	66,073	6,563	27,029	27,452	(2)	(10)	(10)	(1)	(4)	(4)

	Severance	Vacation Pmt	COBRA Pmt	Total Cash - 2020	Total Cash - 2021	Total Cash - 2022	Total Exp - 2020	Total Exp - 2021	Total Exp - 2022
	182,650	19,670	8,847	-	211,168	-	-	191,498	-
	77,838	21,138	-	98,975	-	-	77,838	-	-

Descriptions of the NiSource offering are attached as KY PSC Case No. 2021-00183, Staff 1-34, CONFIDENTIAL Attachment A and CONFIDENTIAL Attachment B to this response. Columbia did not prepare any cost/benefit analysis and any cost/benefit analysis prepared by NiSource would not have been specific to Columbia. Columbia is working to derive the elements of the NiSource cost benefit analysis that would apply to Columbia and will supplement this response if possible.

Columbia Gas of Kentucky - Employee Wages

Year	Level	Regular	Overtime	Vacation Payout	Standby	Bonus	Other Incentive	Other [†]	Grand Total
2018	Directors	35,466	-	-	-	3,000	-	75,894	114,360
2018	Managers	732,533	-	12,022	-	261,466	-	188,151	1,194,172
2018	Supervisor	1,265,644	-	37,092	-	323,177	-	286,824	1,912,737
2018	Exempt	812,725	-	25,313	-	141,187	-	98,813	1,078,038
2018	Union	8,070,186	2,795,623	10,364	589,636	880,368	-	1,734,978	14,081,156
2018	Non-Exempt	1,269,893	65,638	808	-	88,823	-	205,895	1,631,057
2018 Total		12,186,448	2,861,261	85,599	589,636	1,698,020	-	2,590,555	20,011,520
2019	Directors	543,370	-	-	-	62,320	-	57,676	663,366
2019	Managers	917,205	-	-	-	99,752	-	228,000	1,244,957
2019	Supervisor	1,351,637	47,642	7,093	-	97,370	-	282,314	1,786,056
2019	Exempt	911,780	43,328	-	-	58,979	-	131,425	1,145,513
2019	Union	9,081,967	2,899,481	29,135	457,419	338,456	-	1,900,715	14,707,174
2019	Non-Exempt	1,477,427	93,381	7,028	-	45,529	-	278,719	1,902,084
2019 Total		14,283,385	3,083,832	43,256	457,419	702,406	-	2,878,850	21,449,149
2020	Directors	608,433	-	-	-	117,467	-	58,430	784,330
2020	Managers	1,238,337	-	-	-	148,654	-	199,814	1,586,804
2020	Supervisor	1,530,684	2,964	16,139	-	116,364	-	262,745	1,928,895
2020	Exempt	1,136,726	-	-	-	53,397	-	136,781	1,326,904
2020	Union	10,380,668	2,322,851	51,422	436,700	374,745	-	2,114,159	15,680,546
2020	Non-Exempt	1,485,382	43,974	36,600	-	50,737	-	395,791	2,012,484
2020 Total		16,380,230	2,369,789	104,161	436,700	861,364	-	3,167,720	23,319,964
Base Year	Directors	507,385	-	-	-	94,324	37,994	104,892	744,595
Base Year	Managers	1,278,962	-	-	-	104,526	-	198,808	1,582,296
Base Year	Supervisor	1,531,004	21,817	20,772	-	73,954	-	414,007	2,061,554
Base Year	Exempt	1,172,355	-	-	-	40,223	-	123,349	1,335,928
Base Year	Union	9,627,140	2,559,907	22,360	486,038	254,464	-	2,063,328	15,013,237
Base Year	Non-Exempt	1,372,024	38,050	21,136	-	32,445	-	393,339	1,856,994
Base Year Total*		15,488,869	2,619,775	64,268	486,038	599,937	37,994	3,297,723	22,594,603

[†]Other amounts paid and/or reported on the employee W-2

Other Category	2018	2019	2020	Base Year
Employer Cost of Employee Benefits	2,265,156	2,638,193	2,916,482	2,965,504
COBRA Subsidy	22,099	-	9,546	9,546
Education Assistance	-	5,250	5,250	5,484
Flex Credits	27,085	31,315	29,910	22,530
Health Savings Allowance	94,895	99,179	120,001	109,509
Misc Reimbursement/Pay	2,118	5,409	3,950	3,533
No Gross Taxable	643	370	2,491	1,349
Ordinary Income	1,398	1,891	1,623	2,953
Personal Use of Company Vehicle	1,431	440	405	-
Relocation	80,126	77,500	-	-
Severance/Settlement	95,334	19,041	77,838	177,015
Spousal Travel	270	263	224	299
Grand Total	2,590,555	2,878,850	3,167,720	3,297,723

*Base year includes actual compensation from September 2020 through May 2021, June - August data has been forecasted

NiSource Corporate Services Company - Employee Wages

Amounts represent the portion of wages that have been allocated to Columbia Gas of Kentucky

Year	Level	Regular	Overtime	Vacation Payout	Standby	Bonus	Other Incentive	Other ⁺	Grand Total
2018	Directors	788,072	-	23,259	-	384,546	28,999	150,620	1,375,494
2018	Managers	1,422,869	-	33,567	-	452,341	5,949	198,749	2,113,475
2018	Supervisor	1,676,083	1,122	26,130	-	320,709	1,591	245,247	2,270,882
2018	Exempt	1,481,725	1,818	19,737	-	238,590	-	231,898	1,973,768
2018	Union	-	-	-	-	-	-	-	-
2018	Non-Exempt	1,340,642	90,670	9,270	-	92,945	-	262,028	1,795,555
2018 Total		6,709,390	93,610	111,963	-	1,489,131	36,539	1,088,542	9,529,175
2019	Directors	844,672	-	9,801	-	212,749	16,041	106,992	1,190,256
2019	Managers	1,443,790	-	23,522	-	222,601	9,314	187,716	1,886,943
2019	Supervisor	1,768,318	1,718	25,767	-	170,982	1,852	257,086	2,225,723
2019	Exempt	1,603,582	2,695	20,422	-	106,001	-	243,981	1,976,681
2019	Union	1,613	-	-	-	555	-	72	2,240
2019	Non-Exempt	1,453,719	86,891	16,826	-	48,361	-	289,006	1,894,802
2019 Total		7,115,695	91,304	96,338	-	761,248	27,207	1,084,853	9,176,645
2020	Directors	907,422	-	71,738	-	203,370	2,894	321,183	1,506,608
2020	Managers	1,372,906	-	84,429	-	184,084	9,161	316,766	1,967,346
2020	Supervisor	1,818,975	134	49,844	-	141,967	927	362,721	2,374,567
2020	Exempt	1,654,676	494	33,212	-	94,247	-	315,854	2,098,483
2020	Union	5,079	37	981	4	180	-	653	6,934
2020	Non-Exempt	1,519,472	75,912	21,359	-	41,950	-	340,650	1,999,343
2020 Total		7,278,529	76,577	261,564	4	665,798	12,982	1,657,827	9,953,280
Base Year	Directors	863,563	-	81,413	-	161,704	20,294	445,484	1,572,459
Base Year	Managers	1,403,687	-	78,463	-	151,213	4,899	375,393	2,013,655
Base Year	Supervisor	1,633,592	143	69,282	-	114,187	1,036	417,819	2,236,059
Base Year	Exempt	2,074,637	362	30,478	-	79,345	-	325,480	2,510,302
Base Year	Union	2,932	14	1,075	1	4	-	1,058	5,083
Base Year	Non-Exempt	1,475,368	93,469	20,147	-	35,313	-	362,512	1,986,810
Base Year Total*		7,453,779	93,989	280,857	1	541,766	26,229	1,927,746	10,324,367

*Other amounts paid and/or reported on the employee W-2

Other Category	2018	2019	2020	Base Year
Adoption Allowance	221	-	160	173
Employer Cost of Employee Benefits	877,271	911,979	969,909	1,050,702
COBRA Subsidy	7,714	2,777	46,955	64,649
Education Assistance	4,675	4,509	4,054	1,979
Flex Credits	19,360	20,990	21,663	17,189
Health Savings Allowance	42,726	46,048	43,729	42,248
Misc Reimbursement/Pay	608	1,156	1,149	805
No Gross Taxable	3,120	1,592	1,794	1,738
Non-Union Shift Pay	512	566	577	468
FICA Tax on Non-Qualified Account				
Balance Pension	555	146	136	207
Ordinary Income	3,897	4,148	2,430	1,883
Personal Use of Company Vehicle	1,011	691	300	185
Personal Use of Company Aircraft	131	41	-	-
Relocation	11,122	16,082	18,506	15,423
Severance/Settlement	115,312	74,003	546,398	729,915
Spousal Travel	58	127	67	72
Thrift Restoration Payout	248	-	-	109
Grand Total	1,088,542	1,084,853	1,657,827	1,927,746

*Base year includes actual compensation from September 2020 through May 2021, June - August data has been forecasted

Officer Wages - Other

Other Category	2018	2019	2020	Base Year*
Employer Cost of Employee Benefits	106,766	114,462	92,339	40,769
COBRA Subsidy	2,333	2,257	8,983	11,276
FICA Only Vested Stock	162,711	-	-	-
Financial Planning	21,374	32,528	3,544	1,847
Flex Credits	80	129	126	102
Health Savings Allowance	1,860	2,277	1,159	1,036
Misc Reimbursement/Pay	85	-	10	-
No Gross Taxable	147	52	213	187
FICA Tax on Non Qualified Account				
Balance Pension	20,078	6,234	2,977	3,157
Ordinary Income	159	268	348	110
Personal Use of Company Aircraft	162	69	-	-
Relocation	2,926	112,123	18,320	-
Severance/Settlement	13,353	34,134	139,566	146,157
Spousal Travel	47	107	81	6
Thrift Restoration Payout	5,364	8,701	2,355	1,304
Grand Total	337,445	313,341	270,022	205,951

**Base year includes actual compensation from September 2020 through May 2021, June - August data has been forecasted*

CONFIDENTIAL

Contractors Sent Request

Cenergy, LLC
Midwestern Contractors
Global Oilfield Services, LLC
Holloman Corporation
Infasource Construction LLC
Integrity Kokosing Pipeline Services, LLC
Lineal Industries, Inc.
M.G. Dyess INC
Minnesota Limited LLC
Mid-Ohio Pipeline Company Inc
Price Gregory International, Inc.
R.L. Coolsaet Construction
Apex Pipeline Services Inc
C J Hughes Construction Company Inc.

GAS MAJOR PROJECTS

2021 Construction Projects
Request For Proposal

Columbia Gas[®]



Opening

- **Project Manager Contact**
- **Supply Chain Contact**
- **Project Listing**

Toyota ILI

- **Overview**
 - Retrofit existing DE Line with equipment and fittings, and conduct pigging activities from Lake Carnico Station to Jim Beam Station
 - All facilities must meet gas standards
 - Structural and civil construct to engineered requirements on plans, municipal specifications and meet industry quality standards
- **Required Tie-In / Abandonment**
 - Tie in locations across multiple locations
 - Abandonment across multiple locations
 - Operating pressure ranges 400psig-550psig
- **Schedule**
 - Construction start 04/15/2021
 - Required gas in service date 09/01/2021
 - Required site/civil and restoration complete 09/30/2021
- **Site Visit Information**
 - September 24, 2020
 - Group A = 8 am
 - Group B = 9 am
 - Group C = 10 am
 - Address: Lake Carnico Station: 38°21'02.6"N 84°01'24.5"W (Hickory Ridge Road Nicholas County, KY)
 - Parking instructions: Park in green space, where available
- **Ariba**
 - Complete statement of work (SOW)
 - Issue for bid drawings



Toyota ILI

Operator Qualification Impact List

Prepared for	Project Name	Reply Date
Greg Peck	Toyota ILI	9/1/2020

COLUMBIA GAS OF OHIO (CDC) TASKS		
<p>Direct Observation is strictly enforced: qualified individuals are responsible for unqualified individuals. The qualified individual MUST be in direct visual and verbal contact with the unqualified individual(s) and must be able to take immediate and effective corrective action if incorrect procedures or abnormal operating condition(s) are observed. Performing direct observation should be limited to those periods when you have a new employee in a probationary period (30 days) Direct Observation is NOT permitted for welding, nondestructive testing, fusion, tapping or stopping. Individuals performing a task on a regular basis should be OQ qualified.</p>		
Task ID	Task Description	Task Notes:
E1	Welding Pipelines	
E1A	Visual Inspection of Welds	
F2	Joining Pipe with Mechanical Fittings	Required for steel to steel mechanical pipe joining if not qualified to F1/F1A
G1	Excavation & Backfill	
I1A	Evaluation and Application of Corrosion Control	
L1A	Tapping and Stopping Pipelines – 4" and Smaller Tap Holes/60 PSIG and Less	Collateral Credit with L1
L2	Purge Pipelines – No Restrictions	
M3	Pressure Testing	
M7	Preventing and Responding to Potentially Hazardous Situations	
M8	Install/Replace/Repair Main and Transmission Lines	Required if a repair is needed to main
M10	Abandon Gas Piping/Discontinue Service	
<p>Meter & Regulation work shall be performed by qualified company personnel.</p>		
<p>*Listed operator qualifications are a guideline with the information provided. If the work continues outside of the required scope of work, additional operator qualifications may be required. Questions can be directed to OQAdmin@nisource.com.</p>		

- **Training Requirements**
 – Email:

Project	Site Visit	Site Visit Time	Questions Due	Bid Due Date
Ohio				
St. Clair Xing St. POD	September 21, 2020	8AM, 9AM, 10AM	October 2, 2020	October 12, 2020
Ashland POD	September 21, 2020	Noon, 1PM, 2PM	October 2, 2020	October 12, 2020
Middle Ave POD	September 21, 2020	2PM, 3PM, 4PM	October 2, 2020	October 12, 2020
Toledo HP	September 22, 2020	8AM, 9AM, 10AM	October 2, 2020	October 12, 2020
McMahon POD	September 22, 2020	10AM, 11AM, Noon	October 2, 2020	October 12, 2020
Findlay East POD	September 22, 2020	1PM, 2PM, 3PM	October 2, 2020	October 12, 2020
NCL ILI	September 23, 2020	9AM, 10AM, 11AM	October 2, 2020	October 12, 2019
Groveport POD	September 23, 2020	11AM, Noon, 1PM	October 2, 2020	October 12, 2019
Kentucky				
Toyota ILI Retro Fit	September 24, 2020	8AM 9AM 10AM	October 2, 2020	October 12, 2020
Winchester POD	September 24, 2020	10AM 11Am Noon	October 2, 2020	October 12, 2020
Alice Lloyd College	September 24, 2020	2PM 3PM 4PM	October 2, 2020	October 12, 2020

Project	Bid Due	Supply Chain Due to PM	PM Review Complete	Contingent Award
Ohio				
St. Clair Xing St. POD	October 12, 2020	October 19, 2020	October 23, 2020	(WO) October, 26 2020
Ashland POD	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Middle Ave POD	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Toledo HP	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
McMahon POD	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Findlay East POD	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
NCL ILI	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Groveport POD	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Kentucky				
Toyota ILI Retro Fit	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Winchester POD	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020
Alice Lloyd College	October 12, 2020	October 19, 2020	October 21, 2020	(WO) October, 26 2020





Scope of Work

Columbia Gas of Kentucky is proposing to retrofit the existing DE line “Toyota Line”, to permit in line inspection. This DE line spans approximately 53 miles and is composed of 12 inch steel from Carlisle KY to Frankfort KY. The project will include: installing new gas facility equipment, conducting pigging activities, and abandoning sections of pipe. The project will also include the demolition and removal of existing station building, fencing and piping.

The proposed installation will require the contractor to coordinate their work with Columbia Gas of Kentucky (CKY), Inspection, and MRC. The Contractor will perform all welding of pipe and fittings. Hot tapping and line stopping work by Owner’s approved third party. All other work required to complete this project will be performed by the Contractor. Successful bidder will be responsible to coordinate schedule with approved hot tap and line stop approved vendor.

INSTALLATION:

- Install new station equipment and associated station piping, per IFB drawings
- Install POD concrete foundations per IFB drawings

TIE INS:

- High Pressure (450 psi): Multiple stopples, across (6) stations and field tie in locations – per IFB drawings.
- All tapping and stoppling will be coordinated and scheduled by Contractor.

ABANDONMENT:

- Demolition and removal of existing fittings, equipment, fencing, and above ground appurtenances, per IFB drawings.

This proposal shall be submitted as a lump sum to include all the items in the design, including buildings, foundations, all fill materials, gravel, grading and any other items in the design plans, gas standards, building permits, and any notes within the plans or installation instructions from equipment suppliers.

The proposal will be broken into milestone payments:

1. Milestone #1 – Lake Carnico Station	\$400,000
2. Milestone #2 – Paris-Cynthiana Station	\$175,000
3. Milestone #3 – Sewell Station	\$215,000
4. Milestone #4 – Toyota Station	\$440,000
5. Milestone #5 – Turner Station	\$180,000
6. Milestone #6 – Jim Beam Station	\$470,000
7. Milestone #7 – Pigging Activities	\$125,000
8. Milestone #8 – Pipeline Fittings	\$2,150,000
9. Milestone #9 – Abandonment	\$50,000
10. Milestone #10 – Punch List	\$10,000

The following is a definition of milestone and what meets the requirement to release payment. The items listed below will be inspected and required to meet releasing of payment to the contractor.

Milestone #1 – Lake Carnico Station:

- temporary chain link construction fence installed with screening
- laydown yard has construction trailer office, storage trailers and portable restrooms
- all equipment identified for the project in the schedule/safety plan is in staging area
- all employees have operator qualifications and documentation emailed to NiSource PM
- all drainage per design plan
- filter separator installed on final concrete foundation
- all pressure test complete and passed
- all control lines installed
- gas is flowing into the distribution system
- seed and straw placed
- previous gas facilities cut and capped below grade

Milestone #2 – Paris-Cynthiana Station:

- same items as Milestone #1

Milestone #3 – Sewell Station:

- same items as Milestone #1

Milestone #4 – Toyota Station:

- same items as Milestone #1

Milestone #5 – Turner Station:

- same items as Milestone #1

Milestone #6 – Jim Beam Station:

- same items as Milestone #1

Milestone #7 – Pigging Activities:

- Installing filter/separator temporary piping
- Assist with loading and unloading all cleaning pigs and smart tools
- Provide tools/mechanical support needed during entire ILLI operation
- Assume 2-3 man crew; tool truck; shop supplies;
- Lift or backhoe for pulling in tools
- Poles/Rope for pushing/pulling tool in pipeline
- Setup receiver with tarps/tub to catch any debris that may come out of pipeline
- Cleaning of all cleaning pigs and smart tools
- Environmental crew required to handle and dispose of all debris/residue that is removed from the pipeline
- Provide frac tank for liquids handling/storage until proper disposal

- Tracking Cleaning Pigs and Smart Tools
- Ordering cleaning pigs
- Providing transmitters and tracking equipment
- Tracking during all runs (assume 4+ trackers for this project)

Milestone #8 – Pipeline Fittings:

- Fittings installed per IFB drawings
- Stopples installed, tapped, and gas flowing
- all spoils removed from site
- previous gas facilities cut and capped below grade
- all work to abandon facilities meeting standards

Milestone #9 – Abandonment:

- buildings removed from site
- all spoils removed from site
- previous gas facilities cut and capped below grade
- all work to abandon facilities meeting standards

Milestone #10 – Punch List:

- contractor and Major Projects complete review of all project documentation
- punch list items complete
- no open restoration items
- lien waiver submitted

The milestone payments will be a percentage of the fixed proposal. The awarded contractor, NiSource Procurement and Major Projects will negotiate each percentage amount during the award process.

Each milestone payment shall have contractor back up documentation and an invoice. The backup documentation shall be complete records for resource usage in daily job reports.

Any changes to the construction plans, added materials, equipment, and scope will be processed through a change order signed by the contractor and Project Manager. The contractor will be required to provide documentation for change orders. No change orders will be paid unless executed between contractor and NiSource Project Manager.

Construction Schedule

The contractor is tentatively scheduled to:

- Start work on April 5, 2021
- All work is to be completed no later than September 18, 2021.
- Contractor will provide Construction Schedule and Crew Allocation with bid and update as required by Project Manager.

- May 31st, 2021 (Memorial Day) will have this Monday holiday off. Contractor will be expected to return and continue work on June 1st, 2021.
- July 5th, 2021 (Independence Day) will have this Monday holiday off. Contractor will be expected to return and continue work on July 6th, 2021.
- September 6th, 2021 (Labor Day) will have this Monday holiday off. Contractor will be expected to return and continue work on September 7th, 2021.
- NiSource and the Contractor will mutually agree on a schedule start and end date as well as days and hours worked and number of crews based on the guidelines within the project requirements. If the contractor fails to perform the work within the agreed upon contracted time frame or the contractor requires additional crews and/or working days to complete the project within the scheduled allotted time, the contractor shall reimburse NiSource any and all hourly rated contracts (Inspection, X-Ray, GPS, Environmental, etc.) associated to the project that the delay caused to overrun the allotted budget.

Work Requirements for Overall Project

Special conditions for the project contractor:

1. The pipeline contractor will provide a project schedule. The schedule will include the number of crew members and functions along with the number of welders proposed for the project. A detailed pipe installation projection will also be included for the pipeline per week as well as a description of the POD stations & Pipeline work schedule.
2. Contractor is responsible for pre and post video of work area. This includes Storm and Sewer video. This will be included under Lump Sum for Station work and Lay price for pipeline installation. Videos must be supplied to the Project Manager.
3. The contractor will reimburse CKY the cost for material that cannot be returned to McJunkin due to rust, water damage, or any other damage that is due to the contractor not providing and maintaining a dry, secure area for material storage.
4. CKY/NiSource, Operator Qualification (OQ) requirements will be adhered to on this project and verification of this criterion will be required **30 days** prior to the mobilization of the contractor, see list provided. All welders must have a current CKY welding certification.
5. The Contractor will be required to attend progress meetings throughout the construction phase of the project. The Contractor's Project Manager, Superintendent and any Subcontractors working on the site must attend the progress meetings.

Work Requirements for Pipeline Fittings

Special conditions for the pipeline contractor:

1. Nontraditional hours may be required for this project. This is to be considered and included in the Lay Price for Piping.
2. The Contractor is responsible for all "One Call" locates and must pothole/hand-dig and physically locate all underground utilities which are located within the excavation limits. Contractor is also required to locate and pot hole the existing main every 50 feet. It is the responsibility of the contractor to locate the existing gas lines within the project limits.
3. The contractor is responsible for any clearing required for any brush, bushes, and trees within the project limits and will be included under the Lay Price for Piping. All tree, brush, and bushes shall be hauled off site and disposed of to an approved and permitted site during construction. All stumps not interfering with the pipeline installation shall be ground down to final grade. No trunks, branches, chips, or other debris shall be left within the ROW.
4. The contractor is responsible for hauling and disposal of all ditch spoils away to an approved and permitted site during construction. This is to be included as part of the Lay Price for Piping.
5. The Contractor is responsible for securing dumpsites and lay down yard in accordance with Federal and State requirements at no additional cost.
6. No additional compensation will be provided for bell holes within the trench areas. Warning Tape will be installed above piping and will be included within the Lay Price.
7. Sand shall be placed around the piping and consolidated in order to prevent settlement. Stone shall be used to backfill trenching for the piping. Sand and stone backfill to be included as part of the lay price for piping.
8. Pipeline Contractor is responsible for installation of any insulator kits or weld in insulators as specified by CKY.
9. The Contractor is to include any pumping of water required from the trench areas in the lay price of the pipe. Silt bags required due to pumping are to be included in the lay price as well as storm water inlet protection.
10. This project requires that 100% of all steel welds made on the newly installed piping and related facilities be X-Rayed as a non-destructive test method. The Contractor is to coordinate work with CKY such that the X-Rays and GPS can be performed without causing any delay to their work. The Contractor will be responsible for repair/removal

of welds that fail X-Ray at no additional cost. The Contractor shall also be responsible for all costs related to failed X-rays such as X-Ray cost, additional inspector time and materials.

11. Miscellaneous fittings required for pressure testing (test headers), abandonment, stoppling, and tapping are to be included in the Lay Price for the Piping Installation. The installation of 2-inch purge fittings and/or test fittings, bypasses, end caps, and other miscellaneous fittings required to perform this work will not have a separate pay item provided as they are to be included in the Lump Sum for Station work and Lay Price for the pipeline. The contractor is to review pressure test and determine the use of air, nitrogen or water for a test medium. Contractor is required to provide proper permitting if water is used for pressure test medium.
12. The Contractor is to perform pipeline testing for the project with Inert gas, unless otherwise prescribed by CKY. Nitrogen cost will be covered by the Contractor if required. The contractor shall provide the testing materials, as part of install price, required to be used for the testing of the new mains and/or related facilities.
13. All steel joints and fittings are to be sand blasted and coated with Denso 7200 or 7125, Powercrete, or similar product depending on the weather. All joints will need to have two coats of the Denso applied, based on CKY's corrosion recommendation as per CKY/NiSource Gas Standards.
14. Holiday detection (Jeeping) of pipe installed, including all supervision, labor, and equipment necessary to complete this work, in accordance with CKY/NiSource Standards.
15. The Contractor will be responsible for coordination with McJunkin and other deliveries for the loading, unloading of delivered pipe, materials, and equipment at the project site, hauling and stringing of pipe, fittings, casing, valves, coatings, and other materials related to the installation of the proposed piping. Collecting and providing material packing slips with MTRs for each delivery is included in the receiving of materials. The Contractor shall work with the CKY/NiSource field representatives to account for all materials and provide as-built information for the installation of these materials. The contractor will ensure material deliveries and report any missing materials as specified in the design drawings. Delays due to the lack of reporting missing materials will not constitute any delay payments. The Contractor will take the excess material to the local CKY shop (as directed by the NiSource/CKY field representative) when the project is completed.
16. Backfilling of trench and bell holes, will include pneumatic tamping, backfilling open cut trenches with specified material, restoring to grade where required, installing cribs and breakers, constructing surface drainage and diversion ditches, hand backfilling where required. Trench backfill must be properly compacted to prevent further settling of the ditch. No additional compensation will be provided for bell holes.

17. The contractor is required to locate all utilities within the work area that are not marked by the utility companies during the One Call process. This includes but is not limited to all mains and service lines / house lines that are and are not depicted on the drawing packages. Damaged utilities during the construction process is the responsibility of the contractor and will have no pay items associated to the remediation of these damages. Replacing all underground utilities damaged during the construction, including replacement tile laid in pipe troughs or replacement with pipe, cutting pipe or troughs to proper lengths, splitting pipe for tile troughs, hauling tile and other repair material, backfilling after inspection. Repairs to all sewer, water or drainage piping to the satisfaction of the utility or property owner. The Contractor will be responsible for supplying any necessary labor and material to make permanent repairs to any utilities they damage. This includes drainage field tile.
18. The Contractor inspector will maintain copies of delivery slips and invoices of all sand, stone, asphalt, topsoil, and other materials used. Stone and sand fill will be the main material used for final restoration throughout the easement/RW area. Copies of these are to be forwarded to CKY personnel as soon as received.
19. Cleaning up right-of-way during the project and after completion of work, removal and disposal of all rubbish and debris, disposal of all trees from clearing activities, rocks and excess excavated material remaining after the work is completed, unloading, hauling, installation of fence stiles and line markers, cleaning out of waterways, including all supervision, labor, equipment, materials and supplies. The Contractor will supply straw, fertilizer, lime, and grass seed that is comparable to, and compatible with, the grass surrounding the area damaged by construction and will be included within the lay price. This is to include hydro seeding of any necessary areas.
20. Contractor is responsible to maintain a clean and organized work site at all times. This includes dumpsters, trash cans, etc. Contractor is responsible to maintain a safe work zone during all time including all necessary fencing throughout the project and will be included in the Lay Price.
21. Any change order request and discrepancies in pay items are to be submitted to the CKY/NiSource Project Management group and approved in writing prior to performing that portion of the work.
22. The Contractor must review the tie-in plan with the CKY field representative, Project Management, and Gas Transmission & M&R Design groups prior to tying in the installed piping and purging the gas line. Proper notifications to the state, local municipality or other governing agencies must be made prior to purging the existing gas main.
23. Installation of cathodic protection devices is required as per CKY/NiSource Gas Standards and is to be included under the Lump Sum for the Station work and will be included under the pipeline installation.

24. The Contractor is to adhere to the EH&S procedures in accordance with the NiSource/CKY Environmental Standards and permits conditions provided by the Company. Waterbars, jute netting, and straw / hay for stabilization will be included in the Lay Price.
25. The Contractor is to provide proper signage and maintain access for local residents to and from their residences. Local emergency personnel need to be notified and approved in advance of lane closures. Concrete "Jersey Barriers" will be placed at all flagger locations as protection for the flaggers from vehicles. Overhead wires will be protected by flagging.
26. The Contractor will be responsible to coordinate with the local utility department to remove and have replaced any guy wires that are in the way of the equipment, shoring, excavation or staging for the project. CKY/NiSource will pay for reasonable charges by the utility department for this work, if required.
27. Contractor is responsible for cutting and removal of all hard surfaces under the associated pay items. Contractor will also be responsible for the temporary hard surface restoration and will be covered under the Lay Price. Hard surface restoration will be in accordance to ODOT, City and/or county specifications.
28. The contractor will be responsible to adhere to all of the provisions of all local governing authorities concerning any permit requirements, traffic control, etc.
29. Contractor is responsible for providing jersey barriers for flaggers during traffic control and to be utilized as a safety measure creating a barrier between traffic and flagger. Jersey barrier will need to be removed from roadway upon completion of work day. Orange cones will not be an acceptable form of protection for flaggers. This will be included in the lay price.
30. Contractor is responsible to install and maintain all temporary restoration including but not limited to cold patch and temporary seeding/stabilization. This shall be included in the lay price.
31. Contractor will be responsible for all final hard surface restoration within the scope of the project and shall be included in the lay price.
32. Steel plates will be paid once per project and the total amount cannot exceed the maximum used out on site at any given time. Relocating or replacing steel plates will not justify an additional payment.

Work Requirements for POD Station

Special conditions for the station contractor:

1. The contractor will provide a project schedule. The schedule will include the number of crew members and functions along with the number of welders proposed for the project.
2. The Regulation Sets have been prefabricated at Bangs Fabrication Shop located in Mount Vernon, Ohio. The contractor is to provide off-loading equipment for these pre-assembled units and other previously acquired material for this project, and off-load all other material deliveries as needed.
3. Any necessary connection of equipment to finalize installation is the responsibility of the contractor to ensure final assembly (i.e. heater and vent stacks need bolting together, service line installation for Heater, etc.). Also included is ensuring all pre-fabricated equipment is bolted properly and all connections tightened to ensure no leaks.
4. The contractor is responsible for any clearing required for any brush, bushes, and trees within the project limits and will be included under the Lump Sum for the corresponding station. All tree, brush, and bushes shall be hauled off and disposed of in an approved dumping location. No trunks, branches, chips, or other debris shall be left within the ROW.
5. The contractor will provide bollard covers on all bollard locations. CKY to provide bollard piping for contractor installation.
6. Nontraditional hours may be required for this project. This is to be considered and included in the Lump Sums for the Station.
7. The contractor is responsible for hauling and disposal of all ditch spoils away to an approved and permitted site during construction. This is to be included as part of the Lump Sum for the Station.
8. All rock excavation necessary for the installation of the station will be included in the lump sum.
9. No additional compensation will be provided for bell holes within the trench areas. Warning Tape will be installed above piping and will be included within the Lump Sum for the Station.
10. Sand for placement around the piping will be included under the lump sum for the Station. Sand shall be placed around the piping and consolidated in order to prevent settlement.

11. Stone shall be used to backfill trenching and will be part of the lump sum bid for the Station. Stone shall be used to backfill trenching for the piping.
12. The Contractor is to install permanent fencing per drawings, and fencing shall be keyed to receive a B key.
13. The Contractor is to include any pumping of water required from the trench areas in the Lump Sum bid for the Station. Silt bags required due to pumping are to be included in the Lump Sum bids as well.
14. Contractor shall final grade the Station as depicted in the drawing package. Final grade will be achieved by placing fabric weed barrier and then 6-inches of stone to final grade per drawing details. Grading, fabric barrier, and final stone grade shall be included in Lump Sum of the Station work.
15. Necessary concrete piers and pads will be installed by the contractor under the lump sum. Concrete pads and / or piers will be needed for, but not limited to, regulation set and building as depicted on the drawings. Concrete sleepers will be installed by the contractor under the lump sums of the Stations as well.
16. All welds, including piping, fittings, O-Lets, Etc., shall be included under the Lump Sum of the Station.
17. This project requires that 100% of all steel welds made on the newly installed piping and related facilities be X-Rayed as a non-destructive test method. The Contractor is to coordinate his work with CKY such that the X-Rays and GPS can be performed without causing any delay to their work. The Contractor will be responsible for repair/removal of welds that fail X-Ray at no additional cost. The Contractor shall also be responsible for all costs related to failed X-rays such as X-Ray cost, additional inspector time and materials.
18. Miscellaneous fittings required for pressure testing (test headers), abandonment, stoppling, and tapping are to be included in the Lump Sum pricing for the Station work, this includes the outlet tie in of the station. The installation of 2-inch purge fittings and/or test fittings, end caps, and other miscellaneous fittings required to perform this work will not have a separate pay item provided as they are to be included in the Lump Sum. The contractor is to review pressure test and determine the use of air or nitrogen for a test medium.
19. The Contractor is responsible for all "One Call" locates and must pothole/hand-dig and physically locate all underground utilities which are located within the excavation limits. Contractor is responsible to locate and pot hole existing gas lines. Contractor is responsible to coordinate any and all digging activities with local M&R within the station limits as well as tie-ins.

20. The Contractor is to perform pipeline testing for the project with Inert gas, unless otherwise prescribed by CKY. Nitrogen cost will be covered by the Contractor if required. The contractor shall provide the testing materials, as part of install price, required to be used for the testing of the new mains and/or related facilities. CKY/NiSource will provide the test clock and test chart.
21. All steel joints and fittings are to be sand blasted and coated with Denso 7200 or 7125 or similar product depending on the weather. All joints will need to have two coats of the Denso applied, based on CKY's corrosion recommendation as per CKY/NiSource Gas Standards. All above ground coating is the responsibility of the contractor and will be based on CPS's corrosion recommendation as per CKY / NiSource Gas Standards.
22. Holiday detection (Jeeping) of pipe installed, including all supervision, labor, and equipment necessary to complete this work, in accordance with CKY/NiSource Standards.
23. Installation of cathodic protection devices is required as per CKY/NiSource Gas Standards and is to be included under the Lump Sum for the Station work.
24. The Contractor is responsible for Final Station grading, Fencing around site, silt fence, sediment filter sock, bollards and concrete foundations for the equipment within the Station Limits. Miscellaneous material is located within the station limits and will need to be removed by the contractor and should be included within the lump sum. All man gates along the fence shall be furnished with panic hardware and keyed to accept an approved company key.
25. Contractor will be responsible to work with Project Manager to coordinate construction activities and commissioning of the station to be built.
26. ALL change orders and pay discrepancies must have prior written approval. Failure to acquire prior written approval will be done at contractor's expense.
27. The contractor is responsible to get all above ground piping/facilities painted by an approved CKY contractor. This shall be painted to CKY specifications and will be included in the lump sum bid.

Agreement Number: _____

OWNER		SUPPLIER	
NiSource Corporate Services Company and its entities and/or respective Affiliates			
801 East 86th Avenue			
Merrillville, IN 46410			
Facsimile		Facsimile	
Telephone		Telephone	
Email		Email	

This Agreement, made between Owner and Supplier identified above, is made in connection with the attached general terms and conditions and Work as it is defined in applicable Purchase Orders issued by Owner from time to time. Any references to Owner shall include those entities and/or respective Affiliates that issue Purchase Orders for the performance of Work for a Project.

The term of this Agreement shall be from _____ (“Effective Date”) to _____ unless terminated earlier as provided herein.

Unless such terms and conditions are expressly excluded by the applicable Purchase Order in writing by an Authorized Representative of Owner, this Agreement establishes the terms and conditions under which Owner may purchase Work from Supplier, which purchases shall be evidenced by the delivery of Purchase Orders by Owner to Supplier. Supplier's standard terms and conditions and any other commercial terms and conditions shown on any proposal or on any other document submitted by Supplier to Owner are void, unless specifically accepted in writing by an Authorized Representative of Owner. Any preprinted standard terms and conditions on the reverse side of Owner's Purchase Order are not applicable whenever such a Purchase Order is issued pursuant to this Agreement. This is not a requirements contract. Owner reserves the right to use its own resources and to purchase the same or similar Work from third parties.

Supplier's full compensation (“Contract Price”) for its Work shall be based on pricing agreed to and specified in the Purchase Order. Supplier shall satisfactorily complete Work in conformance with the schedule requirements stated in the Contract Documents.

Supplier shall not hold, nor attempt to hold, Owner or any Affiliate liable for the acts, omissions, or breaches of any other Affiliate. No breach or default of this Agreement by an Affiliate shall constitute a breach or default of this Agreement by another Affiliate. For purposes of determining the rights and obligations of each party hereunder, Supplier and each Affiliate shall be considered to have contracts separate and apart from any contract between Supplier and any other Affiliate.

The Contract Documents listed in order of precedence, shall consist of the following documents: (i) the Purchase Order(s); (ii) this Agreement including attached general terms and conditions; and (iii) any referenced exhibits, addenda, supplements or schedules attached to a Purchase Order or otherwise incorporated into this Agreement. Owner shall decide any inconsistency between drawings and specifications or among Contract Documents of equal precedence. All Contract Documents whether prepared by Supplier or others shall be the property of Owner. Notwithstanding anything in this Agreement to the contrary, if the completion dates of any Purchase Order extend beyond the term of this Agreement, this Agreement shall continue to apply to all such Purchase Orders until the related work is completed to the satisfaction of Owner.

OWNER	SUPPLIER
Name: <u>Scott J. Kelly</u> <i>(Print or Type)</i>	Name: _____ <i>(Print or Type)</i>
Title: <u>Vice President Supply Chain</u>	Title: _____
Signature: _____	Signature: _____
Date Signed: _____	Date Signed: _____

GENERAL TERMS AND CONDITIONS

Table of Contents

Article	Heading	Page
1.	DEFINITIONS.....	3
2.	WORK AND OBLIGATIONS.....	4
3.	INDEPENDENT CONTRACTOR.....	5
4.	PRICE & CONDITIONS OF PAYMENT.....	6
5.	PROJECT SCHEDULING, FORECASTING AND REPORTING.....	7
6.	INSURANCE.....	7
7.	INDEMNITY.....	10
8.	CLAIMS.....	11
9.	CHANGE ORDERS.....	11
10.	WARRANTY.....	12
11.	SUSPENSION & TERMINATION FOR CONVENIENCE.....	13
12.	SUPPLIER'S DEFAULT.....	13
13.	TERMINATION FOR CAUSE.....	13
14.	RIGHT TO AUDIT AND EXAMINATION OF RECORDS.....	14
15.	SAFETY AND HEALTH PRECAUTIONS AND PROGRAMS.....	15
16.	ENVIRONMENTAL REQUIREMENTS.....	17
17.	NOTICES.....	19
18.	DISPUTE RESOLUTION.....	19
19.	CONFIDENTIAL INFORMATION.....	19
20.	OWNERSHIP OF WORK PRODUCT.....	22
21.	TAXES.....	22
22.	BACKGROUND CHECK/INVESTIGATION.....	23
23.	CYBER SECURITY.....	23
24.	FORCE MAJEURE.....	25
25.	UTILIZATION OF SMALL BUSINESS CONCERNS.....	25
26.	NONDISCRIMINATION/AFFIRMATIVE ACTION.....	26
27.	UTILIZATION OF DIVERSE BUSINESS CONCERNS.....	26
28.	INSPECTION.....	27
29.	RISK OF LOSS/WARRANTY OF TITLE.....	27
30.	SUPPLIER'S DRAWINGS, SAMPLES, AND DOCUMENTATION RETENTION.....	28
31.	DAMAGES FOR DELAY.....	28
32.	LIENS.....	28
33.	BACKCHARGES.....	29
34.	OWNERSHIP OF DATA.....	29
35.	MISCELLANEOUS.....	29
36.	CLAUSES APPLICABLE TO AGREEMENTS SUPPORTING FEDERAL CONTRACTS.....	31

1. **DEFINITIONS.**

- 1.1. "Affiliate" shall mean those direct or indirect subsidiaries of NiSource Inc. that have authority to issue Purchase Orders.
- 1.2. "Article" shall mean the enumerated sections set forth in the table of contents
- 1.3. "Authorized Representative(s)" shall refer to the individuals listed in Article 17 Notices, or as indicated in a Purchase Order for a Project.
- 1.4. "Change Order" means a written order issued by Owner, documenting an addition to, deletion from, or other modification to the Work, including a change in scope, the price, payment schedule, completion dates or schedule.
- 1.5. "Contract Documents" shall mean the Agreement (including General Terms & Conditions, Exhibits, Addenda) and applicable Purchase Order (including referenced, drawings, specifications, schedule, proposal and any other documents identified in the Purchase Order), Amendments, and Change Orders entered into by the parties.
- 1.6. "Defective Work" shall mean any Work not in conformance with the Contract Documents.
- 1.7. "Final Completion" shall mean the date for total completion of the Project, including any punch list work, listed in the Purchase Order or Schedule for such Project.
- 1.8. "Includes" or "Including" shall mean "includes, without limitation" or including, without limitation," unless the context in which such term is used expressly states otherwise.
- 1.9. "Owner's Designated Representative" shall mean Owner's representative, or its duly authorized representative, who will provide the general administration of this Agreement for Projects on behalf of Owner and shall be Owner's field representative in all matters related to this Agreement, including keeping Owner's procurement personnel informed at all times of the adequacy of Supplier's performance and progress, except as may be otherwise provided herein. Owner may, in its sole discretion, change its Designated Representative at any time or from time to time, and shall promptly notify Supplier, in writing, of any such change.
- 1.10. "Project" shall refer to Work as described in separate Purchase Orders or as otherwise described in an exhibit.
- 1.11. "Purchase Order" shall mean any Project Authorizations, Service Authorizations, Work Authorizations, Statements of Work, Scopes of Work or a document bearing the designation of a "purchase order", in each case issued or executed by Owner from time to time.
- 1.12. "Schedule" shall mean Supplier's schedule approved by Owner for the performance of Work identified in the Contract Documents for the applicable Project relating to such Schedule. The Schedule will include the date of Substantial Completion, the date of Final Completion, and any other key dates stated in the Contract Documents for a Project for Supplier's completion of specific components of Work. The Schedule for each Project shall be one of the Contract Documents for the Project and shall be attached or referenced as an exhibit to the Purchase Order for a Project.
- 1.13. "Section" shall mean the enumerated subparts of an Article.
- 1.14. "Separate Suppliers" shall include suppliers, consultants or suppliers hired by Owner to perform work on the Project under separate contracts.
- 1.15. "Site" or "Project Site" shall mean the location where Work takes place or as specified in the Purchase Order.
- 1.16. "Subcontractor" shall include, but is not limited to, those contractors, suppliers, consultants and material men hired by Supplier in connection with the performance of Work.
- 1.17. "Substantial Completion" shall mean the point in time at which the entire or designated portion of the Project is sufficiently complete such that Owner can fully utilize the Work Product or occupy and utilize the Project for commissioning, start-up, and completion of performance and reliability testing as required hereunder, with only punch list items remaining to be completed, as reasonably determined by Supplier and approved by Owner.
- 1.18. "Supplier's Designated Representative" shall mean Supplier's representative, or its duly authorized representative, who will provide the general administration of this Agreement for Projects on behalf of Supplier and shall be Supplier's field representative in all matters relating to this Agreement, except as may be otherwise provided herein. If no Supplier's Designated Representative is named in the Purchase Order, the Supplier's Designated Representative shall be Supplier's representative to whom the Purchase Order is addressed. Upon providing Owner advance written notice, Supplier may change its Designated Representative at any time. However, a fully qualified replacement must be ready to assume responsibility for Supplier's Designated

Representative and is subject to prior approval of Owner's Designated Representative, which shall not be unreasonably withheld.

1.19. "Work" shall consist of providing labor, equipment, materials, maintenance, construction or professional services and all other obligations described in Contract Documents for each Project.

2. **WORK AND OBLIGATIONS.**

2.1. Supplier shall furnish everything necessary for the complete, proper and timely execution of Work including equipment, material, labor, supervision, home office support, construction equipment, consumables & tooling, temporary utilities, temporary office and construction facilities, fabrication and manufacturing, transportation, freight, drawings and documentation unless excluded in the Contract Documents for each Project. Supplier's performance of Work shall include everything requisite and necessary to comply with prudent electric and gas utility industry standards and to complete Work, notwithstanding that every item necessarily involved may not be specifically mentioned in the Contract Documents.

2.2. Supplier shall be responsible for considering the conditions affecting Work including the availability and cost of labor, transportation, disposal, handling and storage of materials, water, utilities, roads, uncertainties of weather, lake and river stages, ground conditions and the character of construction equipment and facilities needed. Supplier shall take into consideration the character and quantity of surface and subsurface materials or obstacles to be encountered to the extent these conditions are reasonably ascertainable from public documents, the Contract Documents, or an inspection of the Site for each Project.

2.3. Supplier shall immediately and before conditions are disturbed notify Owner of: (i) subsurface or latent conditions; (ii) unusual geologic conditions at the Site which differ materially from those indicated in the Contract Documents for each Project; (iii) or artifacts or articles that may have historical or archaeological significance. Such conditions shall be investigated by Owner, and if such conditions do exist and cause an increase or decrease in Supplier's cost or time of performance, Supplier and Owner will address the impacts and a Change Order will be authorized. No request or Change Order under this provision shall be granted unless Supplier has given Owner immediate notice and confirmed such notice in writing within five (5) days of discovery.

2.4. Supplier shall assign a sufficient quantity of qualified and competent personnel to perform Work and shall provide supervision and oversight at the Site to direct and monitor Work. A Supplier Designated Representative shall be at the Site for coordination with Owner's Representative. Supplier's key personnel shall not be removed or replaced without prior consent of Owner which shall not be unreasonably withheld.

2.5. Supplier shall confine all of its operations and personnel to those area(s) of the Site to which Owner authorizes access.

2.6. Supplier's personnel shall not operate Owner's tools, vehicles, materials or equipment without prior written authorization of Owner. In the event that Supplier borrows Owner's equipment, the equipment is provided AS-IS with no representation and warranty. Supplier assumes all liability for injuries, repairs and damages to the equipment during its operation and will return the equipment in the same condition as when it was borrowed.

2.7. Supplier shall cooperate with Owner and its Separate Suppliers working on the related project or at the Site. Supplier shall report any defects in the work of others that affects its Work. Failure to do so constitutes acceptance of the condition by Supplier. Supplier shall properly fit, connect and coordinate its Work with that of Owner and/or its Separate Suppliers.

2.8. In a format, frequency and content acceptable to Owner, Supplier shall provide periodic reports concerning progress of Work.

2.9. Supplier shall secure and protect its tooling, equipment, and the Work, including any Owner furnished equipment and materials.

2.10. Supplier shall attend all meetings as requested by Owner. Supplier shall require the attendance of its Subcontractors at all meetings that relate, in any way, to the components of the Work being performed by the respective Subcontractor. Supplier shall coordinate its Work with that of Owner's Separate Suppliers involved in the specific work or employed by Owner or working at the Project Site. Supplier shall take appropriate action in an effort to assure that the Work and Owner's operations are not disrupted. Supplier shall be in control of and responsible for all construction means, methods, procedures, sequences, and job site safety and shall comply with all applicable laws, ordinances, regulations, and rules. Supplier shall abide by any and all rules and policies that Owner may have in effect or hereafter put into effect at the Site or otherwise relating to the Work.

- 2.11. Unless otherwise agreed by Owner, Supplier's Designated Representative shall be in attendance at the Site during the performance of the Work, and shall keep Owner's Designated Representative informed at all times of Supplier's performance and progress relating to Work at site.
 - 2.12. Licenses and Authorizations. Supplier represents that it is fully licensed and authorized to perform Work in each jurisdiction where Work related to the Project will be performed. If the Work requires a licensed engineering or design professional duly registered, where the Project is located, documents shall be stamped or certified as required by law.
 - 2.13. Permits, Fees and Notices. Supplier shall obtain and pay for all permits and approvals necessary or appropriate to perform the Work in compliance with applicable governmental requirements, except for those permits Owner is specifically required to obtain by virtue of the terms of this Agreement or by applicable governmental requirements. Supplier shall timely tender to Owner copies of all governmental notices received regarding the Project.
 - 2.14. No Additional Work. This Agreement shall not create for Supplier any rights for any additional Projects or further phases of a project beyond the scope of Work set forth in the Purchase Order. Supplier shall not perform any additional work without written authorization from Owner.
 - 2.15. Subcontracting. Supplier may subcontract any portion of its Work to Subcontractors only upon the prior written consent of Owner, provided that Supplier shall remain fully responsible for all Work performed by all Subcontractors. At any time, Owner may require Supplier to replace any Subcontractor that Owner deems to be unacceptable. Supplier shall not enter into any joint venture agreements in connection with the performance of Work with any other contractor or subcontractor during the term of this Agreement. Each subcontract shall provide for a collateral assignment of the subcontract upon termination of this Agreement or a Purchase Order for a Project. Such collateral assignment shall provide that if Owner fulfills Supplier's obligations to Subcontractor, then Subcontractor will perform the subcontract on behalf of Owner, its successors, and assigns.
 - 2.16. If Owner determines, in its sole discretion, that it is not in Owner's best interests for any Supplier employee or Subcontractor employee to be appointed to perform or to continue performing any of the Work, Owner may give Supplier written notice to that effect and Supplier will take prompt action, at no expense to Owner, to remedy the situation to the satisfaction of Owner including removing such employee or Subcontractor employee from the Work if requested by Owner. If Supplier must replace the employee or the Subcontractor employee, Supplier will do so, at no expense to Owner, with an individual of suitable ability and qualifications, with Owner's approval.
 - 2.17. Operator Qualification. For Projects that involve covered maintenance, operations or inspection services on natural gas pipelines or liquefied natural gas facilities, the DOT has promulgated regulations establishing requirements and responsibilities for the qualification of individuals who perform covered tasks as defined within 49 CFR, Part 192. If required by Owner or 49 CFR, Part 192 prior to October 28, 2002, and for all Projects that involve covered tasks as defined in 49 CFR, Part 192 after October 28, 2002, Supplier shall provide and maintain a written plan identifying its DOT Operator Qualification program that meets the requirements of 49 CFR, Part 192, Subpart N, and Owner's approval. Supplier shall ensure that all of its employees performing Work or performing a covered task as defined in 49 CFR, Part 192 for Owner are in compliance with the above referenced regulations and any subsequent regulations issued by the DOT. Supplier shall use only employees qualified to perform covered tasks on Owner's facilities, and shall provide Owner with documentation of any modifications that are made to Supplier's written plan or to its employees' qualifications to perform those covered tasks (at an interval of not less than once per month). Supplier shall utilize a records management system, as directed by Owner, to track its employees' qualifications. Supplier shall ensure its employees' qualification records are accurately and timely reflected in the records management system used in the jurisdiction where Supplier will perform Work or a covered task. If Supplier performs Work or a covered task in multiple jurisdictions where Owner operates, Supplier acknowledges that its written Operator Qualification plan and the system used for records management may vary among state jurisdictions.
3. **INDEPENDENT CONTRACTOR.**
 - 3.1. At all times during the term of this Agreement, Supplier shall be and remain an independent contractor. Supplier shall perform Work under this Agreement according to its own means and methods, and the performance of Work shall remain in the exclusive charge and control of Supplier. It is expressly understood that Owner does not directly hire any of Supplier's personnel

or assume any liability therefor. Nothing herein shall be construed as creating a relationship of employer and employee between Owner and Supplier, or between Owner and any of Supplier's employees or agents. Supplier's employees shall be and remain employees of Supplier, and Supplier shall be responsible for payment of benefits and the entire compensation of each of Supplier's employees (or its beneficiaries), including employment taxes, unemployment compensation, and any similar taxes associated with employment. Supplier shall and represents that, as employer of such persons, it shall comply with all applicable laws and regulations, and agrees that upon request of Owner, it shall furnish to Owner evidence of payment of all wages and other compensation due such persons and evidence of compliance with all applicable laws and regulations. This Agreement is not exclusive. Except as set forth in a Purchase Order or as otherwise provided herein, Supplier has no power or authority to act for, represent, or bind Owner or any Affiliate in any manner.

4. **PRICE & CONDITIONS OF PAYMENT.**

- 4.1. The Contract Price set forth in the Purchase Order or other Contract Document shall be full and complete payment for all Work.
- 4.2. Invoices. Supplier shall individually invoice for each Purchase Order on or before the fifth day of each month or upon such other time as may be mutually agreed, in writing. Supplier shall submit to Owner an application for payment or invoice ("Application for Payment") and, at Owner's discretion, may be required to submit a Supplier's Affidavit on a form approved by Owner, together with an original executed waiver of liens, and other appropriate supporting documentation required by Owner, for that portion of the Work completed during the previous month or other time as mutually agreed upon by the parties. Supplier shall also submit Subcontractors' original executed waivers of lien to date for the Work subject to the Application for Payment. Owner shall pay Supplier an amount equal to the undisputed value of Work within thirty days of receipt of Supplier's properly submitted Application for Payment. Owner shall not pay any Application for Payment that it receives later than one year after completion of Work. In the event of dispute with Owner concerning payment, Supplier shall continue to perform the Work diligently, provided that Owner shall pay amounts not in dispute. Owner will not process invoices received without information required by Owner. Invoices with missing information will be returned unpaid to Supplier for correction. A coversheet will indicate the specific information that is missing and will include return mailing information.
- 4.3. If applicable Supplier may register to use Owner's web-based workflow management tool, Catalyst, to submit invoices as well as to review the status of invoices. To learn more or to register, visit <http://nisourceap.catalyst.sourcenetsolutions.com>. To register for payments to be made directly to Supplier's bank account, Supplier may contact the NiSource Accounts Payable Customer Service Department at 1-877-629-6286 and request to receive the "Authorization for Electronic Deposits" form. Supplier may email NiSourceAP@sourcenetsolutions.com for additional information. Files will be sent in CTX format, so bank statements will contain remittance (invoice) detail. Nothing herein obligates Owner to make payment through electronic means.
- 4.4. Retainage. Unless otherwise set forth in the Purchase Order or other applicable Contract Documents, retention will not be withheld from Supplier's invoices. When set forth in a Purchase Order, Owner will retain ten percent (10%) of each invoice, or other amounts agreed to by the parties as set forth in the Purchase Order, until the Project has been completed and accepted by Owner.
- 4.5. Final Payment. Subject to the fulfillment of Supplier's obligations under the Contract Documents incorporated in each Purchase Order for a Project, final payment of all undisputed amounts due related to such Purchase Order but not previously paid to Supplier hereunder shall be made within thirty days of receipt by Owner of Supplier's final invoice; subject, however, to the condition precedent that final payment shall not be due until Owner accepts the Work for each applicable Purchase Order and all outstanding disputes relating to Work under the Purchase Order have been resolved. For Projects involving the construction of improvements to Owner's property, Supplier shall provide Owner satisfactory evidence that all liens, claims, obligations, and liabilities against Owner and its premises (including the Site), have been fully paid, satisfied, and released. Such evidence shall include Supplier's final, unconditional Lien Waiver for the final cost of the Work performed by Supplier and its Subcontractors.
- 4.6. Grounds for Not Paying Invoices. Owner may decline to pay any invoice, in whole or in part, to the extent Owner decides it is necessary to protect it from loss due to any of the following: (i)

breach by Supplier of any of its obligations under the Contract Documents for a Project, including the costs to Owner of remedying the breach (whether by repairing or re-ordering any materials or re-performing any Work or otherwise) and all other costs directly attributable to other work that is required to be performed in connection with remedying such breach or remedying any Defective Work; (ii) third-party claims filed or reasonable evidence indicating probable filing of such claims; (iii) Supplier's failure to properly pay Subcontractors; (iv) damage to Owner or another supplier where such damage arises out of the actual or alleged willful misconduct or negligent acts or omissions of Supplier, any Subcontractor or its agents, employees, or any other person for whom, directly or indirectly, Supplier or any Subcontractor may be liable; (v) reasonable evidence that the Work will not be completed within the time requirements specified in the Contract Documents or Project Schedule for a Project; or (vi) unsubstantiated or unsupported amounts billed by Supplier.

4.7. Payments to Others. To the extent not covered in Article 4.5, Supplier shall provide evidence of payment of all indebtedness, satisfactory to Owner, and including final waivers of lien. This information shall be furnished to Owner by Supplier no later than the date Supplier submits its final invoice.

4.8. Right to Setoff. Owner may set off against any amount payable under the Agreement or a Purchase Order for a Project any and all present and future indebtedness of Supplier to Owner (including any indebtedness for which Owner may be primarily or contingently liable or ultimately responsible or which is or may become a lien on any property of Owner). This right to setoff is applicable to indebtedness arising from the Agreement, a Purchase Order, or any other transaction between Owner and Supplier, whether or not related to the Work performed pursuant to this Agreement or a Purchase Order for a Project.

5. **PROJECT SCHEDULING, FORECASTING AND REPORTING.**

5.1. Supplier shall prosecute the Work with all due diligence and complete the Work within the time stated in the Contract Documents.

5.2. Prior to commencement of Work, Supplier shall prepare and submit a schedule in accordance with Owner's requirements for completion of Work on a Project. The schedule shall be time scaled, complete and accurate in detail, depicting key milestones dates, work activities and durations. Upon review and acceptance by Owner the schedule shall become the Schedule.

5.3. Supplier shall continuously monitor, report, forecast and control the actual and planned progress of the Work in accordance with the Schedule. Supplier shall provide scheduling detail and reports as the Work progresses. If such reporting or forecasting indicates a delay or potential delay to any key milestones or completion dates, Supplier shall promptly advise Owner and initiate corrective action to eliminate such delay or potential delay at no cost to Owner. Supplier shall provide its corrective action plan to Owner for review.

5.4. Supplier's reports shall be sufficiently detailed to present Owner with an accurate status of the planned and actual progress of the Work's Schedule, variances from the Schedule and reasons therefor, and planned corrective action. Reports shall be in writing and provided as established by Owner in the Contract Documents.

5.5. In the event of a Force Majeure Delay, the key milestones or completion dates may be extended by Change Order in the manner set forth in Article 9, and such extension shall be Supplier's only recourse against Owner. In no event shall Supplier be entitled to collect compensation or damages for Force Majeure event delay. No Change Order for an extension of time will be issued by Owner unless Supplier provides Owner with notice of the delay. Such notice shall be in writing and delivered to Owner not later than five (5) days after the last day of the event-giving rise to the delay, which is the subject of the notice.

6. **INSURANCE**

6.1. General Insurance Requirements. Supplier shall procure at its sole cost and expense and maintain in effect during the term of this Agreement, and for a period of three years thereafter, the following insurance coverages, which insurance shall be placed with insurance companies rated A minus VII or better by Best's Key Rating Guide. Such insurance companies shall be authorized to do business in the jurisdiction in which the Work is located. Owner reserves the right to require Supplier to provide and maintain additional coverages based upon the services, Work, or exposure. The minimum limits of liability shall be as listed below or as carried by Supplier, whichever is greater:

6.1.1. Commercial General Liability. Coverage, on an occurrence basis, for liability arising out of premises, operations, bodily injury, property damage (including loss of use), products

- completed operations, and liability insured under an insured contract (sometimes referred to as broad-form contractual liability), with minimum limits of One Million Dollars (\$1,000,000) combined single limit per occurrence. The CGL policy shall have a per project endorsement to require these limits to apply only to each individual Project;
- 6.1.2. Worker's Compensation. Coverage for statutory obligations imposed by applicable laws where the Work is to be performed and is performed, including, where applicable, the United States Longshoremen's and Harbor Workers' Act and the Merchant Marine Act of 1920 (also referred to as the Jones Act);
- 6.1.3. Employers Liability Insurance, including Occupational Disease. Coverage shall be provided with minimum limits of One Million Dollars (\$1,000,000) for bodily injury by accident, One Million Dollars (\$1,000,000) for bodily injury by disease/policy, and One Million Dollars (\$1,000,000) for bodily injury by disease/employee. If coverage is obtained from a state fund (such as Ohio), Supplier will purchase "Stop Gap" coverage, with minimum limits of \$1,000,000 per occurrence, from a commercial insurer meeting the requirements of this Article;
- 6.1.4. Automobile Liability Coverage. Coverage with a minimum limit of Two Million Dollars (\$2,000,000) each accident for bodily injury and property damage and shall be in Supplier's name and include owned, non-owned, leased and hired vehicle coverage; and
- 6.1.5. Excess or Umbrella Liability Insurance. Supplier shall provide excess or umbrella liability insurance with a combined single limit of not less than Five Million Dollars (\$5,000,000) per occurrence and project or per location aggregate. These limits apply in excess of the insurance coverages required for Work.
- 6.1.6. Professional Liability Coverage (Errors and Omissions). Supplier shall provide professional liability insurance appropriate to Supplier's profession with a limit of not less than One Million Dollars (\$1,000,000) per occurrence or claim and Two Million Dollars (\$2,000,000) in the aggregate.
- 6.1.7. Cyber Liability Insurance. Supplier shall provide cyber liability insurance with limits of not less than Two Million Dollars (\$2,000,000) for each occurrence or claim and an annual aggregate of Five Million Dollars (\$5,000,000) covering claims involving privacy violations, information theft, damage to or destruction of electronic information, extortion and network security.
- 6.1.8. Pollution Liability Insurance. Supplier shall procure and maintain Pollution Liability Insurance with a combined single limit of not less than Ten Million Dollars (\$10,000,000) per occurrence.
- 6.2. Combination of Limits. The minimum limits of liability required in subsections 6.1.1, 6.1.4, and 6.1.5 of Section 6.1 of this Article 6 may be satisfied through a combination of primary and excess coverage amounts.
- 6.3. Additional Insureds. Supplier shall name Owner, its Entities and Affiliates, and each of their directors, officers, employees, agents, as Additional Insured under all required insurance policies except for Worker's Compensation, Employer's Liability, Professional Liability, and Cyber Liability Insurance and shall require any and all Subcontractors to do the same. Supplier shall, with respect to all insurance provided or required in connection with this Agreement as specified below, to endorse or require each policy as such to: (i) stipulate that such insurance is primary and is not additional to, or contributing with, any other insurance or self-insurance carried by, or for the benefit of Owner; and (ii) waive any and all rights of subrogation against Additional Insured except where not permissible by law. The amount of insurance coverage available to Owner as an Additional Insured shall be the greater of the minimum limits of liability set forth above or as carried by Supplier.
- 6.4. Claims-made Policies. In the event that any policy of insurance provided by Supplier provides coverage on a "claims-made" basis, the retroactive date for any such policy, if any, shall not be later than the effective date of this Agreement. Any insurance policy providing "claims-made" coverage shall be maintained for a period of three years following the termination of the Agreement or, in the alternative the Supplier shall purchase an extended reporting period providing coverage for any claims made during the three year period following termination of the Agreement.
- 6.5. Insurance Policy Management. Supplier shall be responsible for managing and administering all insurance policies required by this Article, including the payment of all premiums, deductibles, and self-insured retention amounts, the filing of all claims and taking of all necessary and proper

steps to collect any proceeds on behalf of the relevant insured person or entity. In the event Supplier collects proceeds on behalf of other persons or entities, it shall ensure that such proceeds are paid directly from the insurers to the relevant person or entity and, in the event that Supplier receives any such proceeds, it shall, unless otherwise directed by Owner, pay such proceeds to such party forthwith, and prior thereto, hold such proceeds in trust for the recipient. If Supplier's insurance is canceled because Supplier fails to pay its premiums or any part thereof, or if Supplier fails to provide and maintain certificates as set forth herein, Owner shall have the right, but shall not be obligated, to pay such premium to the insurance company or to obtain such coverage from other companies and to deduct such payment from any sums that may be due or become due to Supplier, or to seek reimbursement for said payments from Supplier, which sums shall be due and payable immediately upon receipt by Supplier of notice from Owner.

- 6.6. Waiver of Subrogation. Supplier hereby grants Owner, and its successors, assigns, agents, officers, directors, and employees, a waiver of any right of subrogation which any insurer of said Supplier may acquire against Owner by virtue of the payment of any loss under any such insurance. Supplier shall obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not Owner has received a waiver of subrogation endorsement from any such insurer or whether any insurer has issued such an endorsement.
- 6.7. Owner's Property. Whenever Supplier shall have Owner's property in its care, custody, or control for Supplier's fabrication or otherwise as herein required, Supplier shall be deemed the insurer thereof and shall be responsible for such property until its return to and acceptance by Owner.
- 6.8. Subcontractors. In the event that Supplier elects to perform a portion of the Work through the use of Subcontractors, Supplier shall contractually require Subcontractors to comply with the insurance requirements of this Article. Supplier shall contractually obligate its Subcontractors to promptly advise Supplier of any lapse of the requisite insurance coverages, and Supplier shall promptly advise Owner of same. Upon request by Owner Supplier shall provide copies of all Certificates of Insurance that Subcontractors are required to carry pursuant to this Agreement. Supplier assumes all liability for its Subcontractors' failure to comply with the insurance provisions of this Agreement.
- 6.9. Certificates of Insurance. Supplier shall have seven (7) days from the Notice of Award to provide Owner with certificates of insurance required pursuant to this Article, but in no event shall Supplier, or any Subcontractor, commence Work on any Project prior to providing Owner with any certificates of insurance required by this Article. Supplier's insurance documents are to be submitted to the address, email or fax below:
NiSource Corporate Services Company
c/o Supply Chain Services 3rd Floor
290 W. Nationwide Blvd.
Columbus, OH 43215
Email: certificatesofinsurance@NiSource.com
Fax: 614-460-4613
- 6.10. Non-limitation. The furnishing of insurance by Supplier shall in no way relieve, or limit, or be construed to relieve or limit, Supplier and/or its Subcontractors of any responsibility or obligation whatsoever otherwise imposed by this Agreement or any Contract Documents.
- 6.11. Wrap-Up Provision at Owner's Discretion. Owner, in its sole discretion, may at its option, arrange for Worker's Compensation/Employer's Liability, Commercial General Liability, Pollution Liability, and/or Excess Liability insurance ("Wrap-Up Insurance") at no cost to Supplier and/or its Subcontractors in lieu of the coverages to be provided by Supplier as set forth in this Article 6. In the event that Owner, in its sole discretion, elects to arrange Wrap-Up Insurance, Owner will provide written notice of such election to Supplier. In such event, Supplier and each of its Subcontractors shall furnish the necessary authorization for the Owner's insurer or its representative to obtain loss experience data. Owner and Supplier expressly agree that the Wrap-Up Insurance policies noted above are intended to be the primary means of protection for Supplier and/or its Subcontractors for on-site exposures only, and will insure on-site Supplier and/or its Subcontractor employee injury/death claims covered by Worker's Compensation and Employer's Liability insurance. Further, Supplier and/or its Subcontractors, shall abide by the requirements set forth in Owner's Wrap-Up Insurance Manual. The Wrap-Up Manual shall summarize all Wrap-Up Insurance provided by Owner and Supplier requirements associated with Owner providing the Wrap-Up Insurance. The furnishing of said insurance by Owner shall in no way relieve, or limit, or be construed to relieve or limit, Supplier and/or its Subcontractors of any tier of any

responsibility or obligation whatsoever otherwise imposed by the Agreement. For the purposes of this Article, Supplier will provide the insurance coverages as listed within subsection 6.1.1 through 6.1.7 of Section 6.1 for Supplier's off-site Work. Owner retains the sole right to discontinue the Wrap-Up Insurance or to remove an enrolled Supplier or Subcontractor from the Wrap-Up Insurance. In the event Owner elects to discontinue the Wrap-Up Insurance or to remove an enrolled Supplier or Subcontractor, Owner shall provide Supplier or its Subcontractor(s) thirty (30) days written notification of its decision. Supplier or Subcontractor shall, within thirty (30) days of such notification, maintain and furnish evidence of insurance coverages, as fully described in the Supplier's Agreement with Owner or the Subcontractor's agreement with Supplier. In exchange for maintaining this insurance coverage, Supplier or Subcontractor shall include in its contract costs those insurance costs identified in the Insurance Cost Worksheet submitted in connection with the Wrap-Up Insurance.

6.12. Inapplicability to Limitation of Liability. Nothing in Article 6 shall be deemed to limit Supplier's liability under the Agreement regardless of the insurance coverages required hereunder. No limitation of liability provided to Supplier pursuant to this Agreement shall inure to the benefit of any insurer or in any way limit, alter, prejudice, diminish, abridge, or reduce in any way the amount of insurance proceeds otherwise payable to, or on behalf of, Owner under the coverages Supplier is required to carry pursuant to this Agreement. The parties expressly agree that they intend for the full amount of insurance coverage bargained for in this Agreement to be actually available notwithstanding any limitation of liability set forth in the Agreement.

7. **INDEMNITY.**

- 7.1. To the fullest extent permitted by law, Supplier waives any right of contribution and agrees to indemnify, defend and hold harmless Owner and its parent company, agents, affiliates, officers, directors, and employees (collectively, "Indemnitees") from and against all claims, damages, losses, fines, penalties and expenses, including attorneys' fees, related in any way to (i) any breach of this Agreement by Supplier; or (ii) Supplier's or its Subcontractors' or agents' performance of the Work (collectively, "Claims"), provided that any such Claims in subsection (ii) of this Section 7.1 are caused in whole or in part by any negligent act or omission of Supplier, any Subcontractor or any of its respective direct or indirect employees or agents for whose acts any of them may be liable. Such obligation shall not negate, abridge, or otherwise reduce any other right or obligation of indemnity or contribution in favor of the Indemnitees. Such obligation to indemnify, defend and hold harmless shall not be limited in any way by any limitation on the amount or type of damages, compensation, benefits or insurance proceeds payable by, for or to Supplier or anyone directly or indirectly employed by Supplier. The obligations of Supplier under this Article shall not extend to the liability of the Indemnitees arising out of the Indemnitees' sole negligence. Supplier shall impose identical indemnification, defense and hold harmless obligations upon all Subcontractors.
- 7.2. To the extent Supplier has employees performing Work on Owner's property or in Owner's building or structures, and such employees, or Subcontractor employees, are injured in the performance of their job duties, any and all claims for injuries and damages shall be handled through and covered by Supplier's workers compensation program or Subcontractor's workers compensation program as applicable. To the extent that such claims for injuries and damages are not fully covered by Supplier's workers compensation program, or Subcontractor's workers compensation program, as applicable, then Supplier shall indemnify, defend and hold harmless the Indemnitees from any claims from injuries or damages arising from Supplier's employ or Subcontractor's employees performance of the Work. This obligation shall not be applicable where Supplier's employees or Subcontractor's employees are injured due to the gross negligence or intentional misconduct of Owner.
- 7.3. Supplier shall perform all required Work under this Agreement, including disposition of resulting waste products, in compliance with all applicable federal, state, and local environmental and safety laws, regulations, and ordinances, including the Occupational Safety and Health Act and applicable regulations. To the fullest extent permitted by law, Supplier agrees to indemnify, defend and hold harmless Indemnitees from any claims made or asserted against the same arising out of or related to such Work and alleging a failure to comply with any such environmental requirements, including any and all judgments, monetary penalties or fines directed against Indemnitees as a result of Supplier's performance of the Work, including attorneys' fees and expenses incurred by Indemnitees in any litigation or regulatory action arising out of such Work.
- 7.4. Supplier shall pay all royalties and license fees that may be payable on account of performance or use of any of the Work. Supplier agrees to indemnify, defend and hold Indemnitees harmless from

any claims arising from or based on (in whole or in part) an allegation that the Work or any deliverable provided by Supplier (including all Work Product as that term is defined in Section 20.1 hereof) or Indemnitees' use thereof or the Supplier's performance of the Work infringes any patent, trade secret, trademark, copyright, or other intellectual property or proprietary right of any third party. At Supplier's expense, Owner may be represented by and actively participate through its own counsel in any such suits or proceedings if it so desires. In the event that Indemnitees' use of the Work, the Work Product or any other deliverable under this Agreement is enjoined, Supplier shall, at Owner's option, either (i) secure for Indemnitees the perpetual right to continue the use thereof with the same rights that Indemnitees had prior to the injunction, or (ii) replace or modify the infringing part of the Work to make it non-infringing in a manner that is acceptable to Owner in its sole discretion.

- 7.5. Supplier shall indemnify, defend and hold Indemnitees harmless from and against any claim, expense, fine, levy, penalty, liability, or tax of any kind, including any employment, worker's compensation, unemployment compensation, or any tax sought to be imposed on Owner by any governmental authority or person on the grounds that Supplier or any of Supplier's employees, agents or Subcontractors are employees of Owner. Supplier further agrees to indemnify, defend and hold Indemnitees harmless from and against any costs of litigation and reasonable attorneys' fees incurred by Indemnitees in the course of any proceedings in which any such claim, expense, fine, levy, penalty, liability, or tax is sought to be imposed on Owner.
 - 7.6. Supplier shall indemnify, defend and hold Indemnitees harmless from and against any claim, expense, fine, levy, penalty or liability of any kind sought to be imposed on Owner by any governmental authority or person as a result of Supplier or Subcontractor's failure to comply with regulations pertaining to anti-drug and alcohol testing programs and operator qualification programs. Supplier further agrees to indemnify, defend and hold Indemnitees harmless from and against any costs, including reasonable attorneys' fees, incurred by Indemnitees in the course of any litigation or regulatory action arising out of noncompliance with such programs and regulations.
 - 7.7. Supplier shall have the obligation to defend all indemnification Claims in the name and stead of Indemnitees and in its own name, and to select counsel of its choice to represent itself and Indemnitees together or alone, whichever the case may be; provided that Supplier shall not settle such Claim or cause of action prior to obtaining the written consent of the Indemnitees; and provided further that if there is an actual or potential conflict of interest between Indemnitees and Supplier with respect to any such Claim, such that counsel selected by Supplier cannot represent both the Indemnitees and Supplier without waivers of such conflict, then Supplier shall pay the reasonable costs and expenses of the Indemnitees' separate legal representation, in addition to the cost of counsel selected by Supplier. Indemnitees shall have the right (but not the obligation) to defend any Claim for which they are indemnified by Supplier or Subcontractor hereunder and, in the event Indemnitees elect to exercise such right to defend themselves, shall be entitled to select counsel of its choice to conduct such defense; provided that the Indemnitees shall not settle such claim or cause of action prior to obtaining the written consent of Supplier. In the event Indemnitees elect to defend any such Claim, Indemnitees shall give notice to Supplier of such election.
 - 7.8. Supplier's indemnification obligations set forth in Sections [7.37-3](#), [7.47-4](#), [Error! Reference source not found-7.5](#), [7.67-6](#) and [7.77-7](#) of Article 7 above are in addition to, and in no way shall be a limitation of, Supplier's indemnification obligations set forth in Section [7.1](#) above.
 - 7.9. Supplier's obligations under this Article 7 shall survive any termination of the Agreement, the Work, or any Purchase Order for a Project.
8. **CLAIMS.**
- 8.1. If Supplier has any claim against Owner, excluding claims for payment relating to Change Orders, notice of each such claim shall be submitted in writing to Owner within ten days after the occurrence of the event giving rise to the claim. The notice shall include the nature of the cost or damage incurred and provide satisfactory evidence of the adverse impact on Supplier's performance of Work, Schedule, or cost. Resolution of properly filed claims is within Owner's sole discretion. If the Supplier disputes Owner's decision on Supplier's properly filed claims, Supplier may invoke the Dispute Resolution procedures of this Agreement.
9. **CHANGE ORDERS.**
- 9.1. Owner may issue a Change Order at Owner's option or if requested by Supplier due to an event or condition that entitles Supplier to a Change Order as determined by Owner.

- 9.2. All Change Orders shall be authorized by a properly executed Change Order issued by Owner prior to commencement of the change. No order, statement, or other conduct of Owner shall be treated as a change until such change is authorized by a Change Order.
 - 9.3. Supplier shall not be entitled to a Change Order for conditions such as, but not limited to (i) ~~work that is reasonably inferable from the Contract Documents and normally included in the Work~~; (ii) errors, omissions, non-performance, negligence, improper or Defective Work on the part of Supplier (including miscalculations, incorrect estimates, or errors in proposals); (iii) refinement and detailing the Work; (iv) cost impacts not caused by Owner; and (v).
 - 9.4. With respect to Supplier requests for additional compensation Supplier must demonstrate and provide full documentation to justify and support its additional compensation request. For a reduction in the scope of Work or a change which reduces Supplier's costs, the Contract Price will be adjusted downward. Payment for changes in Work shall be complete compensation for performing the Change Order including schedule or cost impacts on the Work. Owner has the right to audit Supplier's requests for additional compensation including the financial basis.
 - 9.5. If Supplier and Owner disagree on whether work is within the scope of Work and such work must be performed to ensure timely progress, Owner will issue a disputed work order. Supplier shall diligently proceed with the disputed work and submit timesheets, invoices, and other supporting documentation for Owner review as the disputed work proceeds. Such review by Owner is not an admission of liability by Owner. Prior to final payment each disputed change will be resolved to the mutual agreement of Supplier and Owner.
 - 9.6. In the event Owner and Supplier do not agree on the price of a Change Order the price shall be the actual documented, verifiable cost by Owner and a fee for overhead and profit of not more than ten percent (10%).
 - 9.7. If Owner issues a Change Order, Supplier shall perform the Work in accordance with the Contract Documents.
10. **WARRANTY.**
- 10.1. Supplier represents and warrants that it has the requisite competence, skill, physical and financial resources, and the quantity of trained, skilled, and licensed personnel (qualified by education, training and experience to perform its assigned tasks), required hereunder and that it has and shall maintain the capability, experience, registrations, licenses, permits, and government approvals required to perform the Work.
 - 10.2. Supplier warrants and guarantees that all materials will be merchantable, new (unless specifically noted otherwise in the Contract Documents), and will be free from defects in design, workmanship, and materials; and that all Work shall be (i) performed in accordance with the best practices within the industry and/or profession prevailing at the time of the Agreement or the Purchase Order, whichever is later; (ii) performed in compliance with all applicable federal, state or local laws, ordinances, and regulations, including all Environmental Regulations, Safety and Health Requirements, 29 CFR part 470 (the Beck Notice), and all applicable judicial decrees or voluntary remediation agreements; (iii) performed in conformance with the Agreement, the Purchase Order and Contract Documents for the Project; (iv) suitable for its intended purpose as specified in the Contract Documents or as otherwise known by Supplier; (v) fit for the particular purpose intended by the Contract Documents; (vi) fully tested pursuant to the Contract Documents; and (vii) performed in a manner that does not infringe any patent, copyright, trade secret right, trademark right, or any other intellectual property or proprietary right of any third party.
 - 10.3. In addition to any other obligations of Supplier under this Agreement including its warranty obligations, Supplier shall, at any time during the term of this Agreement, repair, re-perform or replace, at Owner's option, any Defective Work (including, without limitation, Owner furnished materials). All costs and expenses associated with access to repair or replacement of Defective Work, including all transportation costs, shall be paid by Supplier, and Owner may charge Supplier all expenses of unpacking, examining, repacking, and reshipping any rejected Defective Work. This obligation shall extend for a period of one year from the date of final payment or from the date of termination of this Agreement or the Purchase Order for a Project, whichever occurs later. All warranties for any repaired or replaced Defective Work shall be extended to one year from the date of Owner's acceptance of the repaired or replaced Defective Work or for the duration of the unused warranty period if such period is longer. Supplier shall maintain equipment and replace Work and any of Owner or Separate Supplier's property damaged as a consequence of Defective Work, all without any cost to Owner or Separate Suppliers. The provision of this

Section 10.3 shall not act as an exclusive remedy with respect to Defective Work or a time limitation on the obligations of Supplier in Section ~~1040.1~~ or ~~Error! Reference source not found.10.2.~~

11. **SUSPENSION & TERMINATION FOR CONVENIENCE.**
 - 11.1. **Termination for Convenience.** At its sole discretion Owner may on three days' prior written notice terminate the Agreement and/or any Purchase Order in whole or part, at Owner's convenience. In the event of such termination, Owner shall pay Supplier for that portion of the Work that has been completed under the partially or fully terminated Purchase Order through the date of termination less any payments already made by Owner for the Work. Upon notice of termination of the Agreement or Purchase Order by Owner for convenience, Supplier shall immediately cease performing that portion of Work being terminated on the Project and inform Owner in writing of the status of the Project within seven days after the termination. Any notice of termination shall only affect the parties named in such notice and shall not affect the Supplier's Agreement or Purchase Order with any Affiliate to the extent they are not specifically included in such notice of termination. To the extent this Agreement is terminated but any uncompleted Purchase Orders have not been terminated, the terms and conditions of this Agreement shall remain in effect solely for such Purchase Orders that remain in effect until such Purchase Orders expire pursuant to their terms or are terminated pursuant to the terms of this Agreement.
 - 11.2. **Suspension of Work.** Upon written notice to Supplier, Owner may order that Supplier suspend all or any part of the Work provided under any or all Purchase Orders. The suspension notice shall clearly identify each Purchase Order that is being suspended. Upon receipt of the suspension notice Supplier shall take the necessary action to comply with the suspension notice. Owner may at any time during the suspension period, either terminate the Purchase Order for convenience or authorize the Project or any portion to be restarted. Owner shall pay Supplier all monies otherwise due hereunder to the date of the suspension plus all identifiable expenses directly related to such suspension. The Schedule shall be adjusted to address the suspension period.
 - 11.3. **No Overhead Costs or Profits.** Whether Owner terminates Supplier for convenience or suspends Supplier's Work on a Project, in no event shall Owner be responsible for overhead costs associated with Work not performed by Supplier, for any profits Supplier would have earned if it had continued or completed the Work, or for any special, , consequential, incidental, indirect or punitive damages.
12. **SUPPLIER'S DEFAULT.**
 - 12.1. Supplier shall be in default of this Agreement if Supplier: (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary petition for protection under the U.S Bankruptcy Code or has a receiver appointed for Supplier on account of its insolvency; (iii) fails to make any monetary payment within 5 days of receipt of written notice of failure to pay in accordance with the terms of the Contract Documents; or (iv) fails to perform any other obligation in accordance with the Contract Documents after being provided 30 days' written notice of default and an opportunity to cure.
 - 12.2. Upon Supplier's default, Owner, without limiting or waiving any other rights which Owner may have at law or equity may immediately do any or all of the following without affecting price or schedule: (i) direct Supplier to stop Work on all or part of the Work until satisfactory corrective action has been taken; (ii) have others take corrective action necessary to achieve compliance with Contract Documents and deduct the cost of such corrective action by others from payments due Supplier; (iii) recover damages arising from Supplier's default; (iv) suspend the Work; and/or (v) terminate the Agreement and/or Purchase Order for a Project pursuant to Section 13.1.
13. **TERMINATION FOR CAUSE.**
 - 13.1. Owner may terminate this Agreement and/or any Purchase Order entered into pursuant to this Agreement in the event of default set forth in Section 12.1 In the event of termination for cause by Owner pursuant to Section 12.1, Supplier shall within seven days of notice prepare and submit to Owner an itemization of the Work completed by Supplier. Owner may require Supplier to leave the Site. Owner may take over such Work and complete it or have the Work completed by others. Owner may take possession and utilize Supplier's materials, tools, equipment and/or apparatus to complete the Work.
 - 13.2. Owner shall make no further payments to Supplier until the Work is complete. Following the completion of the Work, Supplier shall be entitled to be compensated for all Work that is in compliance with the Contract Documents performed prior to receipt of written notice from Owner of such termination, together with reimbursable expenses incurred up to the effective date of

termination; provided however, Owner shall be entitled to offset any amounts due and owing pursuant to this provision by the amounts of any damages incurred by Owner as a result of the default by Supplier which offset shall not prejudice the right of Owner to recover additional damages or to exercise any other remedy hereunder, at law or in equity.

- 13.3. Any notice of termination shall only affect the parties named in such notice and shall not affect the Supplier's Projects or Work with any Affiliate to the extent they are not specifically included in such notice of termination.
- 13.4. In the event of Termination for Cause, in no event shall Owner be responsible for termination expenses, for overhead costs associated with Work not performed by Supplier, for any profits Supplier would have earned if it had completed the Work, or for any special, consequential, incidental, indirect or punitive damages.
- 13.5. In the event Owner terminates this Agreement for cause due to Supplier's violation of any safety or ethical obligations imposed upon it by Owner or by any State or Federal regulatory or safety agency, including obligations pursuant to Owner's Code of Business Conduct or violations based upon Supplier's negligence or willful misconduct with respect to necessary safety or operator qualification requirements, Owner may terminate this Agreement and/or any applicable Purchase Order immediately upon giving notice to Supplier. In such event, Supplier will not be entitled to any damages or any other remedy that may arise from Owner's exercise of its right to terminate. Owner shall have the right to withhold final payment until it has determined whether or not Supplier's failure to comply with its ethical, pipeline safety, or integrity obligations has resulted in damages to Owner.

14. **RIGHT TO AUDIT AND EXAMINATION OF RECORDS .**

- 14.1. Records for all Projects, ~~specifically including but not limited to lump sum Projects (i.e. fixed price or stipulated sum)~~, unit price, cost plus or time & material Projects with or without a guaranteed maximum (or not-to-exceed amounts) shall upon reasonable notice be open to inspection and subject to audit, scanning, and/or reproduction during normal business working hours. Such audits may be performed by any Owner's representative or any outside representative engaged by Owner for the purpose of examining such records. Owner or its designee may conduct such audits or inspections throughout the term of this Agreement or Project and for a period of three years after final payment for a Project or longer if required by law. Owner's representatives may (without limitation) conduct verifications such as counting employees at the Project Site, witnessing the distribution of payroll, verifying information and amounts through interviews and written confirmations with Supplier employees, field and agency labor, Subcontractors, and vendors.
- 14.2. Supplier's "records" as referred to in this Article 14 shall include any and all information, materials and data of every kind and character, including without limitation, records, books, papers, documents, subscriptions, recordings, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, e-mails, superintendent reports, drawings, receipts, vouchers and memoranda, and any and all other agreements, sources of information and matters that may in Owner's discretion have any bearing on or pertain to any matters, rights, duties or obligations under or covered by the Contract Documents. Such records shall include written policies and procedures; time sheets; payroll registers; payroll records; cancelled payroll checks; subcontract files (including proposals of successful and unsuccessful bidders, bid recaps, negotiation notes, etc.); original bid estimates; estimating work sheets; correspondence; change order files (including documentation covering negotiated settlements); back charge logs and supporting documentation; invoices and related payment documentation; general ledger, information detailing cash and trade discounts earned, insurance rebates and dividends; and any other Supplier records which may have a bearing on matters of interest to Owner in connection with Supplier's dealings with Owner (all foregoing hereinafter referred to as "records") to the extent necessary to adequately permit evaluation and verification of any or all of the following: (i) compliance with Contract Documents for deliverables; (ii) compliance with approved plans and specifications; (iii) compliance with Owner's Code of Business Conduct; (iv) compliance with Contract Documents regarding the pricing of Change Orders; (v) accuracy of Supplier representations regarding the pricing of invoices and; (vi) accuracy of Supplier representations related to claims submitted by Supplier or any of its payees.
- 14.3. Supplier shall require all payees receiving \$10,000 or more in connection with a Project (examples of payees include Subcontractors, material suppliers, insurance carriers, etc.) to comply with the provisions of this Article 14 by including the requirements hereof in a written contract or

agreement between Supplier and payee. Supplier will ensure that all payees (including those entering into lump sum contracts) have the same right to audit provisions contained in this Article 14.

- 14.4. Owner's representative(s) shall have reasonable access to Supplier's facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to the performance of Work pursuant to this Agreement and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this Article 14.
- 14.5. If an audit inspection or examination in accordance with this Article 14, discloses overpricing or overcharges to Owner (of any nature) by Supplier and/or Subcontractors any adjustments and/or payments which must be made as a result of any such audit or inspection of Supplier's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of Owner's findings to Supplier.
- 14.6. In addition to paperwork documentation Supplier typically furnishes to Owner, in order to facilitate efficient use of Owner resources when reviewing and/or auditing Supplier's billings and related reimbursable cost records, Supplier shall furnish (upon Owner request) the following types of information in the specified computer (PC) readable file format(s):

Type of Record	PC Readable File Format
Monthly Job Cost Detail	.pdf and Excel
Detailed Job Cost History to Date	.pdf and Excel
Monthly Labor Distribution detail (if not already separately detailed in the Job Cost Detail)	.pdf and Excel
Total Job to date Labor Distribution detail (if not already separately detailed in the Job Cost Detail)	.pdf and Excel
Employee Timesheets documenting time worked by all individuals who charge reimbursable time to the project	.pdf
Daily Foreman Reports listing name and hours and tasks of personnel who worked on the project	.pdf
Daily Superintendent Reports	.pdf
Detailed Subcontractor Status Reports (showing original subcontract value, approved subcontract change orders, subcontractor invoices, payment to subcontractors, etc.)	.pdf and Excel
Copies of Executed Subcontractors with all Subcontractors	.pdf
Copies of all executed change orders issued to Subcontractors	.pdf
Copies of all documentation supporting all reimbursable job costs (subcontractor payment applications, vendor invoices, internal cost charges, etc.)	.pdf

15. **SAFETY AND HEALTH PRECAUTIONS AND PROGRAMS.**

- 15.1. Safety and Health Requirements shall mean any and all federal, state, or local laws including any safety and health programs required by the Occupational Safety and Health Act and regulations applicable to the Work or the Site at which the Work shall be performed and which govern, generally, the safety and health of Supplier's, or any of its Subcontractors', employees, agents, or invitees, and Owner's employees, agents, or invitees. Such Safety and Health Requirements shall include, but are not limited to, the following: the Occupational Safety and Health Act, 29 U.S.C. 651, et seq.; the Americans with Disabilities Act, state or local laws or regulations of similar content, including local building codes or permit requirements, and Owner's Supplier Safety Manual. Owner's Supplier Safety Manual shall be made available upon request. In the event of conflict among the Safety and Health Requirements, the more restrictive shall apply.
- 15.2. Supplier shall initiate, maintain, comply and enforce all Safety and Health Requirements, loss control measures, precautions, safeguards and programs required in connection with the Work, and applicable for the Site to prevent damage, injury or loss to (i) all persons performing the Work and all other persons who may be affected by the Work; (ii) all the Work and all materials and equipment whether in storage on or off the Site, under the care, custody or control of Supplier, its Subcontractors or agents of any tier; and (iii) Other property at the Site or adjacent areas, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement including promulgating safety procedures and notifying adjacent property owners.
- 15.3. Supplier shall fully inform Owner and exercise the utmost care when the use or storage of explosives or other Hazardous Materials or equipment is necessary for the performance of the Work. Supplier shall place all explosives or Hazardous Materials under the supervision of properly qualified personnel in accordance with all existing laws, ordinances, codes, rules, regulations, orders, and decisions of all governmental authorities having jurisdiction over the Site.

- 15.4. Supplier shall immediately inform Owner's Designated Representative and Safety Coordinator of all regulatory, safety, health and environmental inspections, violations, citations and penalties associated with Work and provide Owner with written reports and copies of all documents submitted to or by agencies and insurance companies.
- 15.5. All of Supplier's employees, agents, Subcontractors, vehicles, trailers, etc. entering or departing the Site are subject to inspection by Owner at any time.
- 15.6. If a safety violation or other unsafe condition is causing imminent danger, Owner may immediately stop the Work involved without advance written notice.
- 15.7. Owner will arrange all necessary clearances on any energized equipment, electrical and communication circuits, piping systems or other operational systems or equipment. Supplier shall notify Owner's Designated Representative requesting the clearances in advance for coordinating the scheduling of such Work.
- 15.8. Emergencies. In any emergency affecting the safety of persons or property arising out of the Work, Supplier shall act immediately (i) to prevent threatened damage, injury, or loss; and (ii) contact the Owner's Designated Representative, Safety Coordinator, and notify Owner of such emergency.
- 15.9. Substance Abuse Policy.
 - 15.9.1. Columbia Gas Companies. If Supplier is performing work for any of the Columbia Gas Companies, including Columbia Gas of Kentucky, Columbia Gas of Maryland, Columbia Gas of Massachusetts, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, or Columbia Gas of Virginia, the following provisions shall apply with respect to drug and alcohol requirements:
 - i. For Projects not involving natural gas pipelines or liquefied natural gas facilities, Supplier shall develop, implement, administer, and enforce an appropriate drug and alcohol policy. Upon Owner's request, a copy of Supplier's policy shall be provided to Owner or Owner's agent prior to the commencement of any Work. Supplier warrants that all Supplier employees have participated in and are and will continue to be in compliance with Supplier's drug and alcohol policy. Supplier warrants that any employee that fails to be in compliance with Supplier's drug and alcohol policy will no longer perform Work at any Project Site.
 - ii. For Projects that involve covered maintenance, operations or inspection services on natural gas pipelines or liquefied natural gas facilities, the Department of Transportation (DOT) has instituted rules to control the use of drugs and alcohol in the Natural Gas and Hazardous Liquid Pipeline Industry as well as at Liquefied Natural Gas (LNG) facilities. All contractors working for Owner that have employees who work in positions covered by the applicable regulations are required to establish an anti-drug and alcohol testing program that complies with (i) 49 CFR Parts 199 and 40 of the DOT Regulations and/or (ii) applicable state requirements for natural gas pipelines or LNG facilities. Upon Owner's request, a copy of the Supplier's policy shall be provided to Owner or Owner's agent for review and approval prior to the commencement of any Work on any Project. Supplier warrants that all of its and its Subcontractor's employees performing Work for Owner are in compliance with the above referenced regulations and such anti-drug and alcohol testing programs.
 - 15.9.2. NIPSCO. If Supplier is performing work for NIPSCO, the following provisions shall apply with respect to drug and alcohol requirements:
 - i. NIPSCO has adopted procedures and protocols outlined in the Building Construction Resource Center (BCRC) Drug and Alcohol Policy for Work in all local union jurisdictions covered by the agreement with the Indiana Building Trades Unions. Supplier shall provide, prior to the beginning of Work, employees qualified to current BCRC requirements. Any effort exerted by Supplier to qualify their employee(s) shall be solely at the Supplier's expense. For additional information on the BCRC policy, go to:
<http://www.brcnet.com/secure/stand/bcrc.pdf>.

- ii. NIPSCO has executed an Onsite Substance Abuse Testing Program through BCRC in conjunction with the local building trades that provides for random on site drug and alcohol testing at NIPSCO Work Sites and tracks independent verification of crafts eligibility for Work (clear status) under the program. Supplier's employees shall submit to this testing when applicable.
 - iii. Supplier's employees will be required to provide their BCRC registration number, where applicable, as part of their credentials for admission to NIPSCO Work Sites. Supplier's employees subject to this these provisions shall collect the information to verify a clear work status.
 - iv. Suppliers performing Work in jurisdictions not covered by the BCRC Policy shall maintain a program that meets or exceeds the requirements of the BCRC Policy, including drug test panel; detection limits; certification that all employees are eligible for Work or compliant with the Policy or employers program for the entire duration of their Work assignment; includes testing for cause (reasonable suspicion), provides for random testing within prescribed time limits; and includes provisions for suspension and corrective follow-up any time an employee is found to be non-compliant with the Policy requirements.
 - v. Supplier shall be responsible for ensuring the compliance with the Requirements set forth in this Section by any Subcontractor(s) under their employ. Supplier shall certify that all of its employees and all employees of Subcontractors performing Work for NIPSCO are in compliance with requirements set forth in this Section. Additionally, NIPSCO shall require drug and alcohol tests to be completed whenever an employee receives an injury that requires medical attention, property damage, or any significant near miss incident where impairment cannot be conclusively ruled out as a potential contributing factor. The post incident testing can only be waived with the approval of the NIPSCO Project Representative.
 - vi. For projects at NIPSCO that involve natural gas pipelines or liquefied natural gas facilities the following procedures in Section 15.9.1 hereof shall be adhered to.
- 15.10. As set forth in Owner's Contractor Safety Manual, Supplier is required to register, maintain registration, and provide periodic OSHA data, Insurance records and safety program documentation to Owner's third party administrator for review and monitoring of Supplier's safety and health programs and performance unless a waiver has been granted by Owner.
16. **ENVIRONMENTAL REQUIREMENTS.**
- 16.1. Supplier shall require all Subcontractors that perform work for Contractor pursuant to this Agreement shall require such Subcontractors to comply with the Environmental Requirements set forth below.
- 16.2. Environmental Regulations means any and all federal, state or local laws applicable to the Work or the location at which the Work shall be performed and which govern, generally, the management, handling, generation, transportation, release, disposal, or use of any substance which adversely affects or has the potential to affect human health or the environment. Such Environmental Regulations include, by the way of example and not limitation, the following (as have been, or may be in the future, amended from time to time): Toxic Substances Control Act (TSCA), 15 U.S.C. 2601, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. 1251, et seq.; the Oil Pollution Act of 1990, 33 U.S.C. 2701, et seq.; the Safe Drinking Water Act, 42 U.S.C. 300f, et seq.; the Solid Waste Disposal Act, 42 U.S.C. 6901, et seq.; the Clean Air Act, 42 U.S.C. 7401, et seq.; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. 11001, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. 1801, et seq.; and state or local laws or regulations of similar content or otherwise pertaining to the protection of human health or environment.
- 16.3. Hazardous Materials means any substance or material that is considered, described, characterized or listed by applicable law as a hazardous material, hazardous substance, hazardous waste, toxic

- substance, toxic pollutant, contaminant, petroleum (including crude oil and any fractions thereof as well as waste or used petroleum oils), natural or synthetic gas or any mixture thereof, asbestos, asbestos containing material, PCB or materials or objects containing PCB, medical waste, infectious waste, radon gas, lead containing paint, radioactive material or words of similar import, in or under any law concerning health, safety, the environment or natural resources, or any chemicals, substances, materials or compounds that are otherwise subject to regulation, prohibition, control, or remediation under any law concerning health, safety, the environment or natural resources. However, commonly available office and janitorial supplies present solely for routine use at the same location do not, without more, constitute Hazardous Materials.
- 16.4. Waste Materials shall mean any and all material that is originally generated by the Work or necessary to implement the Work which is intended to be discarded. Waste Materials shall include recyclables and other salvageable material.
- 16.5. Site Inspection. Supplier shall examine all the Project Sites involved in performing the Work and shall obtain adequate knowledge of all conditions under which the Work is to be executed and completed. Supplier must obtain all permits and approvals required including those required by applicable Environmental Regulations for the performance of the Work, or verify in writing that Owner has obtained such necessary permits and approvals.
- 16.6. Use of Hazardous Materials. Supplier shall not perform any Work in which it uses or incorporates, in whole or in part, any Hazardous Materials in violation of any Environmental Regulations, or which leave any Hazardous Materials at a Project Site without the prior express written approval of Owner. Supplier shall notify Owner in writing upon receipt of any material at the Project Site requiring Safety Data Sheets (SDS), and Supplier shall promptly provide the SDS to Owner; furthermore, Supplier shall remove all unused materials and Supplier Waste Materials from the Project Site upon completion of the Work and properly dispose of all such Waste Materials. While in use at the Project Site, all Waste Materials shall be properly secured, stored and labeled including containment as appropriate. Supplier shall place an identification label on each container brought to the Project Site that identifies Owner's name, contact person and phone number. At Owner's discretion and as deemed necessary, Supplier may be required to perform documented weekly inspections of temporary waste and chemical storage areas. Supplier shall have at the Project Site at all applicable times, adequate response materials and appropriate personal protective equipment to address any unintended release of the materials in use.
- 16.7. Release Response and Reporting. Except to the extent that a release of Hazardous Materials is the subject of the Project, Supplier shall upon discovery or occurrence of an existing or suspected release from or at the Project Site, cease Work in that area, and take immediate action to contain and stop the release in a safe manner. Supplier shall immediately contact Owner's Designated Representative and Environmental On-Site Coordinator verbally and confirm in writing as soon as practical. If the release is subject to reporting pursuant to any Environmental Regulations, Supplier shall timely report the release to governmental authorities, or ensure in a timely manner that Owner's Designated Representative is notified and reports the release to governmental authorities. Supplier shall continue Work at the Project Site in the areas unaffected by the release unless otherwise advised by Owner. Upon receiving Owner's prior written approval, Supplier shall remove and properly dispose of all Hazardous Materials and Waste Materials in compliance with all applicable federal, state, and local requirements governing such Hazardous Materials and removal, transportation, and disposal thereof. Upon request, Supplier shall provide Owner with a copy of any licenses, permits, or manifests used in connection with the disposal of any Hazardous Materials or Waste Materials.
- 16.8. Environmental Records/Waste Manifests. In the event Supplier or its Subcontractors transport Waste Materials to an off-site facility (or facilities) for treatment and/or disposal, Supplier shall ensure that all transporters and disposal facilities have been approved by Owner and that any such facility is in compliance with all Environmental Regulations.
- 16.9. Agency Provision for Manifests. Except as Owner may instruct Supplier in writing to the contrary, Supplier has specific written authority to act on Owner's behalf with respect to Owner's Waste Materials and waste manifests, as those manifests may be necessary to transport or dispose of Waste Materials at or from the Site. The authority granted herein shall be solely for the purposes of signing industrial or hazardous waste manifests required by governmental authorities for materials resulting from the Work at the Site during the term of this Agreement. Supplier shall sign each such manifest as "the agent of the Owner." No other agency relationship shall be created by this Agreement.

- 16.10. Owner Generator Identification. Owner acknowledges and agrees that any waste manifest that Supplier is authorized under Section 16.8 and 16.9 hereunder to sign will utilize Owner's EPA Generator Identification Number, if required; however, Supplier agrees to use its own EPA Generator Identification Number for any waste manifest involving the removal of Hazardous Materials introduced or released at the Project Site by Supplier.
 - 16.11. No CERCLA Liability. Each of the parties hereto further acknowledges and agrees that the agency relationship created under Section 16.8 and 16.9 does not constitute an agreement to arrange for transport, treatment, or disposal of hazardous substances under Section 107 of the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), or any state analog thereof, as amended.
 - 16.12. Owner's Limited Indemnity. Owner shall defend and indemnify Supplier against and for any claim based upon CERCLA or any state analog thereof to the extent arising from Supplier's signing, within the scope and authority of this Agency Provision, of waste manifests on behalf of the Owner, which obligation shall survive the termination of this Agreement.
 - 16.13. Project Close-out. At the completion of Work and prior to Supplier's final departure and at the Owners discretion, a final walk down of the Site may be required to confirm adherence to the waste management requirements of this Article 16.
17. **NOTICES.**
- 17.1. Any notices required by this Agreement or by law shall be in writing and addressed to: (i) in the case of Owner, the Vice President, Supply Chain at the address for Owner set forth on the first page hereof, and (ii) in the case of Supplier, the authorized officer at the address for Supplier set forth on the first page hereof, as well as any parties identified for notice purposes in any pertinent Purchase Order. Notice shall be properly served if: (i) sent via overnight mail, certified mail, postage prepaid return receipt requested; or (ii) sent via email to the email address set forth in this Agreement or applicable Purchase Order. Notices shall be effective upon receipt or refusal to accept. Either party may change its address for the purpose of this Agreement by giving written notice of such change to the other party in the manner provided in this Article 17.
18. **DISPUTE RESOLUTION.**
- 18.1. Step Negotiations. The parties shall attempt in good faith to resolve all disputes promptly by negotiation as follows. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Executives of both parties at levels at least one level above the Project personnel who have previously been involved in the dispute (the "Executives") shall meet at a mutually acceptable time and place within ten days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty days from the referral of the dispute to Executives, or if no meeting of Executives has taken place within fifteen days after such referral, either party may initiate mediation as provided hereinafter. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at least three business days' notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this Article 18 are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence. Nothing in this Article 18 shall limit Owner's legal or equitable rights and remedies or any Owner rights or remedies set forth in this Agreement, including, without limitation, Owner's termination rights.
 - 18.2. Mediation. In the event that any dispute arising out of or relating to this Agreement is not resolved in accordance with the procedures provided above, such dispute shall be submitted to mediation to mutually agreeable mediators from the American Arbitration Association. The mediation shall be administered at the mediator's offices closest to Owner's headquarters. The mediation shall take place at Owner's facilities unless otherwise agreed to by the parties. If the mediation process has not resolved the dispute within thirty days of the submission of the matter to mediation, or such longer period as the parties may agree to, the mediation process shall cease.
 - 18.3. Continued Prosecution of the Work. In case of any dispute, including any dispute which is or may be the subject of mediation, Supplier shall continue to prosecute the Work and maintain its progress pending final determination of the dispute, and Owner shall continue to make payments to Supplier for those portions of the Project completed that are not the subject of dispute in accordance with the Contract Documents.

19. **CONFIDENTIAL INFORMATION.**

- 19.1. Confidential Information means any and all data, documentation, methods, processes, materials and all other information relating to the past, present and future business of Owner and its Affiliates. Confidential Information also includes all information owned by or relating to customers, suppliers, employees or other third parties to whom Owner or its Affiliates have an obligation of confidentiality. Confidential Information also includes all Work Product (as that term is defined in Section 20.1) the executed Agreement and Contract Pricing. Confidential Information does not include any information that is publicly available or becomes publicly available through no breach of this Agreement by Supplier, its Subcontractors or its employees or information that Contractor can show, by written records, was known to Supplier prior to the date of this Agreement.
- 19.2. Supplier's Obligations with respect to all Confidential Information.
- 19.2.1. During the term of this Agreement and thereafter, except as Owner may authorize in writing, Supplier shall and shall cause its employees and Subcontractors to: (i) treat and cause to be treated as confidential all Confidential Information; (ii) not disclose any Confidential Information to any third party or make available any reports, recommendations, extracts, summaries, analysis or conclusions based on the Confidential Information; (iii) reveal the Confidential Information only to those employees of Supplier or a Subcontractor who require such access in order to perform the Work hereunder and are obligated to keep such information confidential; (iv) grant access to Confidential Information only to employees of Supplier or Subcontractor who have signed a confidentiality agreement if required by Owner; (v) use or grant access to Confidential Information only in connection with the performance of Work pursuant to this Agreement; (vi) make copies of any tangible embodiment of Confidential Information only as necessary for the performance of such Work; (vii) remove any tangible embodiment of Confidential Information from the premises of Owner only with the express written permission of Owner; and (viii) maintain the security of Confidential Information; and (ix) maintain up to date policies and procedures, and comply with all applicable laws and regulations designed or required to detect, prevent and mitigate the risk of loss, unauthorized access, use, modification, destruction or disclosure of Owner's and its Affiliates' Confidential Information.
- 19.2.2. Supplier may disclose only such Confidential Information as is necessary to comply with a regulatory, legal, or governmental request and only after providing immediate notification to Owner allowing sufficient time for Owner to seek a protective or limiting order or otherwise prohibiting the disclosure of the requested Confidential Information as Owner deems necessary in its sole discretion. Supplier shall act in good faith to assist Owner where appropriate with respect to Owner's efforts to seek a protective order or order limiting disclosure.
- 19.2.3. In performing the Work, at a minimum, Supplier and its Subcontractors shall employ administrative, physical, and technical controls to protect the confidentiality, integrity, and accessibility of Confidential Information, e.g., so as to reasonably ensure that Confidential Information is not lost or stolen, or otherwise used, modified or accessed, attempted to be accessed, or allow access to any third party without Owner's prior express written approval or by any Supplier employee or agent who is not authorized to access the Confidential Information. These controls shall be at least consistent with industry standards and with those controls the Supplier uses to protect its own confidential information. Supplier shall maintain an ongoing system to ensure that employees, Subcontractors, and agents have only such authorized access to Owner's Confidential Information as is reasonably necessary based on that employee, Subcontractor, or agent's role. Supplier and its Subcontractors shall upon discovery or reasonable suspicion of any breach of security, unauthorized access, or abuse of authorized access, immediately: (i) notify Owner of any loss or unauthorized disclosure, possession, use or modification of the Confidential Information or any suspected attempt at such activity or breach of Supplier's or its Subcontractors' security measures, by any person or entity; (ii) investigate and take corrective action in response thereto; and (iii) provide assurance to Owner's reasonable satisfaction that such activities or breach or potential breach shall not reoccur.

- 19.2.4. While at Owner's or its Affiliate's facilities or using Owner's or its Affiliate's equipment or accessing Owner's or its Affiliate's systems (including telephone systems, electronic mail systems, and computer systems), Supplier, its Subcontractors and their respective personnel shall observe and follow all applicable Owner or Affiliate policies and standards, including those policies relating to security of and access to Confidential Information as such policies and standards are modified and supplemented from time to time. Applicable policies will be made available upon request.
- 19.2.5. Upon termination of this Agreement or applicable Purchase Order, Supplier and its Subcontractors, at Owner's discretion and at no cost to Owner, shall either return the Confidential Information to Owner or comply with the following minimum standards regarding the proper disposal of Confidential Information: (i) implement and monitor compliance with policies and procedures that prohibit unauthorized access to, acquisition of, or use of Confidential Information during the collection, transportation and disposal of Confidential Information; (ii) paper documents containing Confidential Information shall be either redacted, burned, pulverized or shredded with a cross-cut shredder so that Confidential Information cannot practicably be read or reconstructed; and (iii) electronic media and other non-paper media containing Confidential Information shall be destroyed or erased so that Confidential Information cannot practicably be read or reconstructed.
- 19.3. Supplier's Additional Obligations with respect to Personal Information.
 - 19.3.1. Personal Information is a subset of Confidential Information and includes any information that identifies a person (e.g., name in combination with any of the following: social security number; driver license number; passport number; other federal or state issued identification numbers; credit or debit card account number; bank account number; other financial account number; or medical or biometric information) who is a former, current or prospective customer, employee or shareholder of the Owner or any of its Affiliates. With respect to the protection of and access to Personal Information, Supplier and its Subcontractors shall comply with all applicable laws regarding Personal Information.
 - 19.3.2. If Supplier or its Subcontractors store or maintain Personal Information, Supplier and its Subcontractors, as applicable, shall employ industry no less than standard systems, procedures and practices with respect to: (i) intrusion detection systems including actively monitoring such systems for signatures that correspond to attempts at breaking the security of Personal Information; and (ii) backup procedures relating to software, system configurations and Personal Information.
 - 19.3.3. To the extent Supplier or its Subcontractors has access to or uses Personal Information in the performance of its Work and such Personal Information contains personal information of residents of the Commonwealth of Massachusetts, Supplier shall comply with the requirements of 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth, as currently promulgated or subsequently amended. A current copy of 201 CMR 17.00 will be provided upon Supplier's request.
- 19.4. Supplier's Additional Obligations with respect to Federal Red Flag Requirements. If Supplier or its Subcontractors provision of Work involves the processing of Confidential or other information so as to place Supplier or its Subcontractors in a position to observe indicators of identity theft (e.g. consumer fraud alerts, notifications or warnings; suspicious documents, personal identification information, or activity; or notice from customers, law enforcement or others regarding identity theft), Supplier and its Subcontractors shall: (i) maintain policies and procedures to identify, detect and respond to Red Flags, substantially in accordance with Owner's program regarding such Red Flags, as updated from time to time, a current excerpt of which will be made available upon request, (ii) report the detection of any such Red Flags to Owner; and (iii) take appropriate measures to prevent or mitigate the risk of identity theft that may arise in the performance of such Work.
- 19.5. Irreparable Harm. The breach of any of the covenants contained in this Article 19 will result in irreparable harm and continuing damages to Owner and Owner's business, and that Owner's remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Owner at law or in equity in the event of any such breach, any court of competent jurisdiction may issue an injunction (both preliminary and permanent), without bond, enjoining and restricting the breach or threatened breach of any such

covenant, including an injunction restraining Supplier from disclosing, in whole or in part, any Confidential Information. Supplier shall pay all of Owner's costs and expenses, including reasonable attorneys' fees and accountants' fees, incurred in enforcing such covenants.

- 19.6. The obligations of this Article 19 shall survive any termination of this Agreement.
20. **OWNERSHIP OF WORK PRODUCT.**
- 20.1. Any and all products of the Work performed by Supplier, any Subcontractor and any of their employees under this Agreement or a Purchase Order used in connection with this Agreement, including all inventions, discoveries, formulas, processes, devices, methods, compositions, compilations, outlines, notes, reports, system plans, flow charts, source codes, and other forms of computer software, algorithms, procedures, policies, data, documentation, and other materials or information which Supplier, any Subcontractor or any of their employees may conceive, invent, author, create, reduce to practice, construct, compile, develop, or improve in the course of performing the Work or otherwise delivered to Owner as part of the Work (collectively, "Work Product") shall be the sole and exclusive property of Owner from and after the time it is created. Work Product shall also include any Deliverables identified under any Purchase Order. Supplier agrees to disclose to Owner the existence of any Work Product of which Owner would not otherwise be aware promptly upon its creation.
- 20.2. Supplier shall assign to Owner (together with its successors and assigns) the sole and exclusive right, title, and interest in all Work Product, including any and all related patent, copyright, trademark, trade secret, and other property or proprietary rights of any nature whatsoever. Supplier warrants and agrees to execute and deliver to Owner, and Supplier shall cause Subcontractor and the employees of Supplier and Subcontractor to execute and deliver to Owner, any and all documents that Owner may reasonably request to convey to Owner any interest Supplier, Subcontractor or any of their employees may have in any Work Product or that are otherwise necessary to protect and perfect Owner's interest in any Work Product. Supplier shall take and cause Supplier's employees to take, such other actions as Owner may reasonably request to protect and perfect Owner's interest in any Work Product. The sums paid to Supplier by Owner in connection with Supplier's performance of the Work serve, in part, as full consideration for the foregoing assignment, and that said consideration is fair and reasonable, and was bargained for by Supplier. Supplier represents and warrants that it has full right, power, and authority to grant the assignment granted under this Article 20.
- 20.3. In the event and to the extent that any Work Product contains or requires for its use any items, elements, or components that were developed or otherwise acquired by Supplier prior to the date of this Agreement and that are proprietary to Supplier ("Supplier's Retained Information"), Supplier shall identify such Supplier's Retained Information to Owner in writing. Supplier grants to Owner and its Affiliates an irrevocable, perpetual, non-exclusive, royalty-free, world-wide license to (i) use, reproduce, perform, and execute the Supplier's Retained Information, (ii) prepare derivative works based upon the Supplier's Retained Information, (iii) distribute copies of Supplier's Retained Information and of derivative works based upon Supplier's Retained Information; and (iv) authorize others to do any of the foregoing.
- 20.4. Nothing in this Article 20 should be construed to prohibit Supplier from using its skills, knowledge, and experience that have a general applicability, including such skills, knowledge, or experience gained by Supplier in connection with performing Work for Owner (collectively, the "Knowledge") in performing work for other clients; provided, however, that the Knowledge or Supplier's use thereof shall not include any Confidential Information of Owner.
- 20.5. Supplier shall not use any Work Product, including any drawings, specifications, reports, or any unique design aspects of a Project in any other project without the prior written approval of Owner. Supplier's use of standard specification texts is specifically excluded from the provisions of this Article 20. The obligations of this Article 20 shall survive any termination of this Agreement.
21. **TAXES.**
- 21.1. General Tax Requirements. All applicable federal, state and local taxes such as net or gross income taxes and similar taxes that are statutorily ascribed to Owner will be paid and borne by Owner. All applicable federal, state and local taxes such as net or gross income taxes and similar taxes that are statutorily ascribed to the Supplier will be paid and borne by the Supplier. Nothing herein shall be construed to prohibit Supplier from invoicing and Owner from paying any applicable gross receipts tax, value added tax or other such present or future taxes that Supplier is required by law to collect from Owner.

- 21.2. Sales and Use Taxes.
 - 21.2.1. Invoicing. Owner is responsible for any taxes statutorily ascribed to and borne by Owner, such as sales tax due on retail sales, which shall be separately stated on Supplier's invoice, unless Owner timely provides the Supplier with a valid and properly completed exemption certificate or direct payment authorization.
 - 21.2.2. Supplier Purchases. Supplier shall utilize tax exemptions to the extent possible, if applicable and documented, in purchasing goods and services for all Work performed and services rendered. Supplier will use its own exemption or resale certificate or direct payment permit and not Owner's direct pay permit to make exempt purchases of tangible personal property or services from Subcontractors.
 - 21.2.3. Contract Prices. Contract prices shall be inclusive of taxes statutorily ascribed to and borne by the Supplier, as for example, use tax on items to be purchased by Supplier that are to be incorporated into real property (as defined under tax law). Unless otherwise specified, Supplier's consumable materials, supplies, tooling & equipment that are not incorporated into the Work are not eligible for exemption and the price shall include and Supplier shall pay the taxes on such items.
 - 21.2.4. Exemptions. Owner shall employ and Supplier shall cooperate with Owner in the utilization of the following exemptions, where possible, when purchasing goods and services:

Owner Affiliate	Exempt from sales tax on goods and services consumed directly in the:
Columbia Gas of Massachusetts	Provision of public utility service in Massachusetts.
Columbia Gas of Ohio, Inc.	Provision of public utility service in Ohio.
Columbia Gas of Pennsylvania, Inc.	Provision of public utility service in Pennsylvania.
Northern Indiana Public Service Co. (NIPSCO)	Generation of electricity and gas storage in Indiana.

- 22. **BACKGROUND CHECK/INVESTIGATION.**
 - 22.1. Supplier and its Subcontractors shall perform a thorough background check on any employee that is assigned to provide Owner Work pursuant to this Agreement in order to verify fitness and qualifications to provide such Work. To the extent Supplier or its Subcontractors will be performing Work or providing services on any Owner property or premises, on Owner's customers' premises, or have access to Owner's electronic systems or networks, Supplier and such Subcontractors shall perform a thorough background investigation on any employee that is assigned to provide Owner such Work pursuant to this Agreement in order to verify fitness and qualifications to provide such Work. The background investigation shall include Social Security Number verification, criminal history, Terrorist Watch Database Search, Education Verification, Employment Verification, Motor Vehicle License and Driving Record, References, and Professional License or Certification and Drug Screening when applicable. Supplier and its Subcontractors shall maintain all documentation received as a result of a background check or investigation in its personnel files. Owner may, at its discretion, request access to results of any background check or investigation for the purpose of ensuring compliance with this Article 22.
- 23. **CYBER SECURITY**
 - 23.1. Removal of Unnecessary Services and Programs. Supplier shall provide documentation detailing all applications, utilities, system services, scripts, configuration files, databases, and all other software required and the appropriate configurations, including revisions and/or patch levels for each of the computer systems. Supplier shall provide a listing of services required for all computer systems and applications. The listing shall include all ports and services required for normal operation as well as any other ports and services required for emergency operation. The listing shall also include an explanation or cross reference to explain why each service is necessary for operation. Supplier shall verify and provide documentation that all services are patched to current status. Supplier shall provide, within a pre-negotiated period, appropriate software and service updates to mitigate all vulnerabilities associated with the product and to maintain the established level of system security. Supplier shall remove all software components that are not required for the operation and maintenance of the system or application. Supplier shall provide documentation on what is removed. The software to be removed shall include, but not be limited to: Adware; games; device drivers for network devices not delivered; messaging services (e.g., MSN, AOL IM); servers or clients for unused Internet services; software compilers in all user workstations and servers except for development workstations and servers; software compilers for languages that are not used in the control system; unused applications; unused networking and communications

- protocols; unused administrative utilities, diagnostics, network management, and system management functions; backups of files, databases, and programs used only during system development; all unused data and configuration files; sample programs and scripts; unused document processing utilities (Microsoft Word, Excel, PowerPoint, Adobe Acrobat, OpenOffice, etc.).
- 23.2. Changes to File System and Operating System Permissions. Supplier shall configure hosts with least privilege file and account access and provide documentation of the configuration. Supplier shall configure the necessary system services to execute at the least user privilege level possible for that service and provide documentation of the configuration. Supplier shall provide documented evidence that changing or disabling access to such files and functions has been completed
 - 23.3. Hardware Configuration. Supplier shall disable, through software or physical disconnection, all unneeded communication ports and removable media drives. Supplier shall password protect the BIOS from unauthorized changes unless it is not technically feasible, in which case Supplier shall document this case and provide mitigation measures. Supplier shall provide a documented list of all disabled or removed USB ports, CD/DVD drives, and other removable media devices. Supplier shall configure the network devices to limit access to/from specific locations, where appropriate, and provide documentation of the configuration. Supplier shall configure the system to allow the system administrators the ability to re-enable devices if the devices are disabled by software and provide documentation of the configuration.
 - 23.4. Installing Operating Systems, Applications, and Third-Party Software Updates. Supplier shall follow Owner's patch management and update process. Supplier shall provide notification of known vulnerabilities affecting Supplier-supplied or required OS, application, and third-party software within a pre-negotiated period after public disclosure. Supplier shall provide notification of patches affecting security within a pre-negotiated period as identified in the patch management process. Supplier shall apply, test, and validate the appropriate updates and/or workarounds on a baseline reference system before distribution. Mitigation of these vulnerabilities shall occur within a pre-negotiated period.
 - 23.5. Disabling, Removing, or Modifying Well-Known or Guest Accounts. Supplier shall recommend which specific accounts need to be active and those that can be disabled, removed, or modified. Owner shall approve in writing Supplier's recommendation. Supplier shall disable, remove, or modify all the accounts pursuant to the approved recommendation. Supplier shall disable or remove all default and guest accounts. Once changed, new accounts will not be published except that new account information and passwords will be provided by Supplier via protected media. Supplier shall disable, remove, or modify all Supplier-owned accounts or negotiate account ownership with Owner.
 - 23.6. Password/Authentication Policy and Management. Supplier shall provide a configurable account password management system that allows for selection of password length, frequency of change, setting of required password complexity, number of login attempts, inactive session logout, screen lock by application, and denial of repeated or recycled use of the same password. Supplier shall not store passwords electronically or in Supplier-supplied hardcopy documentation in clear text unless the media is physically protected. Supplier shall control configuration interface access to the account management system. Supplier shall provide a mechanism for rollback of security authentication policies during emergency system recovery or other abnormal operations, where system availability would be negatively impacted by normal security procedures, but such rollback shall not be automatic, and would require the specific affirmative agreement of Owner.
 - 23.7. Account Auditing and Logging. Supplier shall provide a system whereby account activity is logged and is auditable both from a management (policy) and operational (account use activity) perspective. Supplier shall time stamp, encrypt, and control access to audit trails and log files. Supplier shall ensure audit logging does not adversely impact system performance requirements. Supplier shall provide read-only media for log creation.
 - 23.8. Coding for Security. Supplier shall comply with the Owner's Application Security standards. Supplier will also provide documentation of development practices and approved deviations from Owner standards. Supplier shall provide the results of code reviews. Supplier shall provide documentation of coding practices used in developing the delivered software.
 - 23.9. Flaw Remediation: Notification and Documentation from Supplier. Supplier shall have and provide documentation of a written flaw remediation process. Supplier shall provide appropriate software updates and/or workarounds to mitigate all vulnerabilities associated with the flaw within

- a pre-negotiated period. After Supplier is made aware of or discovers any flaws, Supplier shall provide notification of such flaws affecting security of Supplier-supplied software within a pre-negotiated period. Notification shall include, but is not limited to, detailed documentation describing the flaw with security impact, root cause, corrective actions, etc..
- 23.10. **Problem Reporting.** Supplier shall provide a process for users to submit problem reports and remediation requests to be included in the system security. The process shall include tracking history and corrective action status reporting. Supplier shall review and report their initial action plan within 24 hours of submitting the problem reports. Supplier shall protect problem reports regarding security vulnerabilities from public disclosure and notify Owner of all problems and remediation steps, regardless of origin of discovery of the problem. Supplier shall inform Owner in writing of flaws within applications and operating systems in a timely fashion and provide corrective actions, fixes, or monitoring guidance for vulnerability exploits associated with the flaw. Supplier shall provide an auditable history of flaws including the remediation steps taken for each.
- 23.11. **Malware Detection and Protection.** Supplier shall disclose the existence and reasons for any known or identified backdoor codes. Supplier shall provide a host-based malware detection scheme for the control system network. Supplier shall verify adequate system performance for host-based malware detection, quarantine (instead of automatically deleting) suspected infected files, and provide an updating scheme for the signatures. Supplier shall also test major updates to malware detection applications and provide performance measurement data on the impact of using the malware detection applications in an active system. Measurements shall include, but are not limited to network usage, CPU usage, memory usage, and any other impact to normal communications processing.
- 23.12. **Physical Access of Cyber Components.** Supplier shall provide a detailed plan for appropriate physical security mechanisms. Supplier shall provide lockable or locking enclosures for control system components (e.g., servers, clients, and networking hardware). Supplier shall provide locking devices with a minimum of two keys per lock identifiable to each lock, and keyed or not keyed alike depending on Owner requirements. Supplier shall recommend a room locking device(s) where the equipment and workstations are located, if not already installed by Owner. Supplier shall verify and provide documentation that unauthorized logging devices are not installed (e.g., key loggers, cameras, and microphones). Supplier shall provide two-factor authentication for physical access control.
24. **FORCE MAJEURE.**
- 24.1. Neither party shall be in breach of the Agreement to the extent that any delay or default is due to a Force Majeure Event. The term Force Majeure Event shall mean any cause beyond the reasonable control of the delayed or defaulting party including acts of God, unusually adverse weather for the geographic area, fire (not caused by Supplier), epidemic; acts of public enemy, war, terrorism, riot, civil disturbance, and national labor strikes, which by the exercise of due foresight such party could not have been expected to avoid or overcome. Supplier's inability to obtain adequate or sufficient labor to maintain progress of the Work shall not constitute a Force Majeure event. No delay in performance resulting from a Force Majeure Event shall result in any liability on the part of Owner. Notwithstanding the preceding sentence, in the event of a delay caused by any act or failure to act on the part of Owner, Supplier's sole remedy shall be as set forth in Article 9.
- 24.2. The delaying party shall immediately notify the other party of the beginning of a delaying event, and confirm the notice in writing within ten (10) days of the beginning of the event. The notice shall contain an account of the delay, including cause, estimate of the duration, an estimate of the delay's impact to the Schedule or completion dates and the plan to mitigate the effects of the delay.
- 24.3. If Supplier is the delaying party, and the delay is a Force Majeure Event, Owner shall grant Supplier an extension of time for the Work to be mutually agreed upon by Supplier and Owner. The extension of time shall not exceed the length of the delay and such extension may be withheld or reduced in the event Supplier does not provide notice in accordance with Section 24.2. If Owner requests, Supplier shall expedite its schedule to mitigate the effects of the excusable delay. Owner shall pay the incremental direct costs for expediting at Owner's request.
25. **UTILIZATION OF SMALL BUSINESS CONCERNS.**
- 25.1. It is the policy of the United States and Owner that small business concerns, veteran-owned small business concerns, qualified HUB Zone small business concerns, small business concerns owned by socially and economically disadvantaged individuals, and women-owned small business

concerns shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of its subcontracts with small business concerns, small business concerns owned and controlled by veterans and/or service-disabled veterans, HUB Zone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and women-owned and controlled small business concerns.

25.2. If this Agreement covers services, materials or supplies in support of contracts of Owner and its affiliates with Federal agencies, Supplier shall use commercially reasonable efforts to utilize Small Business Concerns in the awarding of subcontracts and the sourcing of materials for the performance of this Agreement, and to cooperate in any studies or surveys as may be conducted by the U.S. Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of Supplier's compliance with this clause. For such agreement(s) greater than \$700,000 in estimated annual payments by Owner, Supplier shall (i) cooperate with Owner in creating an annual plan for each calendar year during the term of this Agreement, outlining how Supplier can provide business solutions in support of this inclusion and diversity initiative and (ii) submit, on a semi-annual basis during the term of this Agreement, a subcontracting report, in a format mutually agreed upon by Owner and Supplier, summarizing the results of Supplier's efforts and its utilization of Diverse Business Concerns.

25.3. As used herein, "Small Business Concern" and the other categories of small businesses referred to in this Article 25 means any subcontractor qualified under the definitions of FAR 52.219-8 Utilization of Small Business Concerns or the U.S. Small Business Administration applicable regulations (13 CFR 121). Supplier acting in good faith may rely on written representations by its Subcontractors regarding their status as a Small Business Concern.

26. **NONDISCRIMINATION/AFFIRMATIVE ACTION.**

26.1. Supplier shall, as applicable, if this Agreement supports Federal contracts of Owner or its Affiliates, and unless exempt, comply with the federal regulations pertaining to nondiscrimination and affirmative action in hiring and promotion (generally part 60-1 of Title 41 of the Code of Federal Regulations), including the following, as amended, all of which are incorporated herein by reference: (i) Affirmative Action Compliance Program (41 CFR 60-1.40); (ii) Affirmative Action in compliance with the Vietnam Era Veterans' Readjustment Assistance Act Protected Veterans (VEVRAA) (41 CFR 60-300.5); (iii) Affirmative Action – Individuals with Disabilities (41 CFR 60-741.4); (iv) Equal Opportunity (41 CFR 60-1.4); (v) Employer Information Report SF-100, annual filing (41 CFR 60-1.7); (vi) Fair Labor Standards Act of 1938; (vii) Prohibition of Segregated Facilities (41 CFR 60-1.8); and (viii) Executive Order 13496 Compliance (29 CFR 471). Supplier shall also comply, unless exempt, with any applicable state and local laws pertaining with nondiscrimination and affirmative action.

26.2. To the extent applicable for contracts let by any Federal agency, Supplier and its Subcontractors, in performance under this Agreement, shall abide by the applicable requirements of 41 CFR Part 60 prohibiting discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations further require that Supplier and its Subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status, or disability.

26.3. Supplier certifies that it does not and will not maintain or provide for employees any segregated facilities at any of its establishments, and that it does not and will not permit employees to perform its services at any location, under its control, where segregated facilities are maintained. As used herein, the term "facilities" means waiting rooms, work areas, restaurants and other eating areas, time clocks, rest rooms, wash rooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees; that are segregated by explicit directive or are in fact segregated on a basis of race, color, religion, sex, sexual orientation, gender identity, or national origin, because of written or oral policies or employee custom. A breach of the certification or assurance herein contained is a violation of the equal opportunity clause if that clause is required in this Agreement. Supplier shall include this clause in each proposed Project subcontract in excess of \$10,000.

27. **UTILIZATION OF DIVERSE BUSINESS CONCERNS.**

- 27.1. Central to Owner's commitment to promoting inclusion and diversity is a fully integrated and operationally supported supplier diversity initiative. Affirming Owner's commitment to supplier diversity and community economic inclusion, it is Owner's policy that Diverse Business Concerns (as defined below) have the maximum practicable opportunity to participate in the performance of contracts let by Owner. Supplier shall use commercially reasonable efforts to utilize Diverse Business Concerns in the awarding of subcontracts and the sourcing of materials for the performance of this Agreement. For Purchase Order(s) greater than \$500,000 in estimated annual payments by Owner, Supplier shall (i) cooperate with Owner in creating an annual plan for each calendar year during the term of this Agreement, outlining how Supplier can provide business solutions in support of this inclusion and diversity initiative and (ii) submit, on a quarterly basis during the term of this Agreement, a subcontracting report, in a format mutually agreed upon by Owner and Supplier, summarizing the results of Supplier's efforts and its utilization of Diverse Business Concerns.
- 27.2. Nothing contained in Section 27.1 shall require Owner or Supplier to pay a premium for the utilization of Diverse Business Concerns. Consistent with good business practices, Supplier shall perform the foregoing requirements while maintaining competitive prices for the materials and services procured from all suppliers. Supplier acknowledges that its annual plan(s) and subcontracting report(s) may be considered by Owner as a positive element in determining future contracting opportunities with Supplier.
- 27.3. As used herein, "Diverse Business Concern" means any subcontractor (i) certified as a HUB Zone business by the U.S. Small Business Administration, or (ii) in which fifty-one percent (51%) of the ownership and daily operations and control is by either (a) one or more women or (b) one or more individuals who are African American, Hispanic American, Asian Pacific American, Subcontinent Asian American, or Native American (c) one or more non service- disabled veterans; and (iv) one or more service-disabled veterans.

28. **INSPECTION.**

- 28.1. Owner shall have the right, but not the obligation, at all reasonable times to inspect the Work. Supplier shall furnish all reasonable assistance and provide all reasonable facilities and access for such inspection and testing on at the Site, Owner's premises, at Supplier's facilities, or at the facilities of any Subcontractor where any part of the Work is being manufactured, fabricated or performed. Such inspection by the Owner shall in no way relieve Supplier from its obligations under the Agreement or any Purchase Order issued under the Agreement.
- 28.2. Notwithstanding the foregoing Section 28.1, for Work that is to be enclosed or covered, no portion of the Work shall be enclosed or covered until inspected by Owner. Work covered prior to inspection (herein "Uninspected Work") shall, at the request of Owner, be uncovered at the Supplier's expense. If Uninspected Work is not in accordance with the Contract Documents for a Project, then Supplier shall remedy such nonconforming Uninspected Work at Supplier's expense and shall pay the cost of re-examination and recovering regardless of whether the Uninspected Work is in conformance. Work, already inspected, or Work for which inspection has been waived by Owner (herein "Inspected Work"), may be ordered uncovered by Owner at any time for subsequent inspection. If so ordered by Owner, Inspected Work must be uncovered by the Supplier. If Inspected Work is in accordance with the Contract Documents for a Project, Owner shall pay the cost of re-examination and recovering. If Inspected Work is not in accordance with the Contract Documents for a Project, then Supplier shall remedy such nonconforming Work at Supplier's expense and shall pay the cost of re-examination and recovering.
- 28.3. In addition to the foregoing, Supplier shall immediately notify Owner in writing if Supplier at any time discovers any part of the Work to be defective or not in accordance with the Contract Documents for a Project. The provisions of this Article 28 shall survive Supplier's completion of the Work or the earlier termination or expiration of this Agreement or a Purchase Order for a Project.

29. **RISK OF LOSS/WARRANTY OF TITLE.**

- 29.1. Supplier shall carry on the Work at its own risk until the Work is fully completed and final payment has been issued to Supplier by Owner. If any loss or damage occurs to or affects the Work prior to completion and final payment has been issued to Supplier by Owner, Supplier shall at its expense promptly repair or replace the loss or damage; provided, however, that Supplier shall be entitled to receive from Owner the proceeds of all applicable insurance policies, if any, covering the loss or damage, but only to the extent that Owner's sole negligence caused such loss

or damage. Unless otherwise provided in the Agreement, Owner's insurance policies will not in any event cover property of Supplier. When materials, equipment, or apparatus are furnished by Owner or by others for installation by Supplier, Supplier shall receive, unload, protect, store, remove from storage and handle with the same degree of care that it would its own materials, equipment, or apparatus.

- 29.2. To the extent Owner has made payments to Supplier for material, equipment, or apparatus, title to such material, equipment, or apparatus shall pass to Owner. Supplier warrants that the material, equipment, or apparatus, at the time title passes to Owner, will be free and clear of all security interests, liens, and encumbrances, or claims of Supplier and any third party.
30. **SUPPLIER'S DRAWINGS, SAMPLES, AND DOCUMENTATION RETENTION.**
- 30.1. Supplier shall provide Owner with all information and documentation (which includes drawings, reports, and designs) within Supplier's scope of Work and which is required by Owner for the design, construction, licensing, quality assurance, operation, or maintenance of the Work or of the facility for which the Work is intended. Supplier shall promptly provide to Owner all such information and other materials relating to the Work that Owner may request in connection with any filing or other submission Owner is making with any regulatory or other governmental body. Supplier may disclose all such information to such regulatory and other governmental body as required by law. Supplier shall notify Owner's Designated Representative immediately upon such request and in advance of such disclosure. In addition, Supplier shall cooperate with Owner as requested by Owner with respect to such filings or submissions.
- 30.2. Unless otherwise directed by Owner, Supplier shall retain and maintain (at no additional cost to Owner) at least one record set of all documents obtained or generated in the course of the Work for a period of ten years from the date of the completion of the Work. Supplier, at the end of the ten-year period, shall notify Owner of its intent to destroy the documents. If Owner requests that some or all of the documents be preserved for an additional reasonable period of time, Supplier shall comply with Owner's request, but has the option to return the documents to Owner for retention. Any request by Supplier to destroy such documents shall be in writing and sent to Owner at the address for notices. The obligations of this Article 30 survive any termination of this Agreement.
- 30.3. Any drawings or submittals required by the Contract Documents to be submitted to Owner for review shall be submitted by Supplier without unreasonable delay. Any Work initiated prior to written acceptance by Owner shall be at Supplier's risk. All drawings or submittals provided by Supplier shall become the property of Owner and review of drawings and submittals by Owner shall not relieve Supplier from fulfilling all obligations of Supplier under the Contract Documents, including obligations relating to design and detailing. As far as practicable, each drawing or submittal shall bear a cross-reference note referring to the sheet number or numbers of Owner's drawings showing the same Work.
- 30.4. If Owner has requested a sample or "mock up" of all or any portion of the Work, unless otherwise instructed in writing by Owner, Supplier shall not commence the associated procurement, fabrication or manufacturing Work until Owner has received such samples, or reviewed such "mock up." Approved Work is required to conform to such sample or "mock up."
31. **DAMAGES FOR DELAY.**
- 31.1. Supplier shall be liable for any damages incurred by Owner arising out of Supplier's failure to perform within the time requirements set forth in the Contract Documents. The Purchase Order and/or Contract Documents shall indicate whether Time is of the Essence in the performance of the Work and shall include agreed upon liquidated damages when Time is of the Essence.
- 31.2. In lieu of the above, when the parties have agreed to liquidate the amount of damages resulting from Supplier's failure to complete the Work in accordance with agreed upon schedule, the parties agree that such damages which may be incurred by Owner as a result of Supplier's failure to complete the Work in a timely manner are uncertain and difficult to estimate. The parties agree that the liquidated damages contained in the Contract Documents are reasonable and fair compensation for late performance. Supplier commits to pay and Owner agrees to accept such sum as liquidated damages and not as a penalty in the event of late performance.
32. **LIENS.**
- 32.1. Lien Indemnity. Provided Company is fulfilling its payment obligations herein, Supplier shall keep the Project Site, Owner's property, and any funds held by Owner free of any liens (including stop notices) of Supplier, and any SubSupplier. Should any such lien be asserted, Owner may, in its sole discretion (i) require Supplier, at Supplier's expense, to furnish an appropriate bond or title

indemnity in the amount of one hundred fifty percent (150%) of the lien; and/or (ii) withhold funds otherwise due Supplier equal to one hundred fifty percent (150%) of the lien amount to assure payment of such liens.

33. **BACKCHARGES.**

33.1. Owner may impose back charges against Supplier or deduct back charges from payments due Supplier for performance or re-performance by Owner or others of Work including costs associated with Defective Work, non-performance by Supplier, termination for cause, clean up and disposal of Supplier's debris, damages to Owner's tools and equipment and warranty repairs.

34. **Ownership of Data**

34.1. Owner Data shall mean all data collected by Supplier or provided to Supplier by Owner in the provision of Services. Owner Data shall be used solely for the purposes of providing the Services to and on behalf of Owner and shall be maintained and stored so that such Owner data is not commingled with, viewed by or disclosed to other customers of Supplier.

34.2. Owner Data. All Owner Data is, or shall be, and shall remain the property of Owner and shall be deemed Owner Confidential Information. Without Owner's approval (in its sole discretion), the Owner Data shall not be (i) used by Supplier other than as necessary for Supplier's performance under this Agreement and solely in connection with providing the Services and the performance of Supplier's obligations under this Agreement, (ii) disclosed (except as otherwise required by law), sold, assigned, leased or otherwise provided to third parties by Supplier or (iii), commingled, or otherwise commercially exploited by or on behalf of Supplier (even if anonymized), except if it is otherwise publically disclosed by Owner or as expressly permitted by this Agreement or as required by law. Supplier shall not possess or assert encumbrances or other rights in or to the Owner Data.

34.3. Intellectual Property Rights in Owner data and Owner Confidential Information. As between the Parties, all Owner Confidential Information, including the Owner Intellectual Property and the Owner Data, is, or upon its creation shall be, and shall remain the exclusive property of Owner perpetually, including ownership of intellectual property Rights therein. No title, right or interest in or to Owner Confidential Information, including the Owner intellectual property and the Owner Data, is transferred to Supplier as a result of this Agreement.

34.4. Supplier shall return all Owner Data to Owner upon Owner's request and at no cost to Owner.

35. **MISCELLANEOUS.**

35.1. Public and Community Relations. Supplier shall use its best efforts to maintain a good public image for and reputation of Owner and shall be responsive to concerns raised by community members. All information regarding this Agreement, or of a Project performed pursuant to this Agreement, requested by news, reporting, and other agencies will be handled as follows. Supplier shall maintain (itself or through a Subcontractor) capabilities of drafting professional responses to media and other inquiries and also maintain the ability to disseminate such responses. Such responses shall be submitted to Owner for submission by Owner to news, reporting or other agencies unless Owner authorizes the Supplier to submit such submissions to news, reporting or other agencies, as specifically directed by Owner's Designated Representative. In no event shall any communication or response be made to a third party, including the media, without the prior written approval of the Owner's Designated Representative. Supplier shall not disclose information of a sensitive nature to any third parties without Owner's prior written consent. With the sole exception of publication of such information within Supplier's corporate entity and subject to the Confidentiality provisions of this Agreement, Supplier shall not refer to Owner or any company affiliated with Owner in any advertising or other publication in connection with goods or services rendered by Supplier, without the prior written approval of Owner. No endorsement or license is implied or granted by Owner or any company affiliated with Owner by virtue of this Agreement. Supplier shall not, either directly or indirectly, publish or disclose any photographs, images, video, logos, copyright or trademark protected information of Owner, or any company affiliated with Owner; or use such information for its benefit or the benefit of any other party without the prior written approval of Owner.

35.2. Waiver of Consequential Damages. Supplier expressly waives all claims for all consequential, incidental, indirect, punitive, or special damages arising out of or relating to this Agreement or a Purchase Order issued pursuant to this Agreement. This waiver includes but is not limited to damages incurred for losses of use, income, profit including anticipated profits arising directly from the Work, financing, business and reputation, loss of management or employee productivity or of the services of such persons, delay, acceleration, extended general conditions, home office

- overhead, and principal office expenses including the compensation of personnel stationed at the home office. This provision shall survive the termination of the Agreement.
- 35.3. No Third-Party Beneficiaries. No provision of the Contract Documents is intended or shall be construed to be for the benefit of any third party (other than a joint owner of a plant or facility, whether as a tenant in common or otherwise, for which the Work is intended).
- 35.4. Interpretation/Forum/Waiver of Jury Trial. Article and Section headings are for reference only and do not interpret, define or limit the scope or content of this Agreement or any provision hereof and shall be given no legal effect in the interpretation of this Agreement. This Agreement shall be construed in accordance with the laws of the State of Indiana without reference to its conflict of laws rules. Exclusive jurisdiction for any dispute shall be in the state or federal courts located in the State of Indiana. In addition, at the sole discretion of Owner, any dispute may be litigated in an Indiana Commercial Court ("ICC") established pursuant to Indiana Supreme Court Case No. 94S00-1601-MS-31 dated January 20, 2016 or as amended, renewed, or modified. In the event Owner elects for a dispute to be heard in the ICC, Supplier expressly consents to the jurisdiction of the ICC in the Superior Courts of Lake County or Elkhart County, Indiana. The parties agree that they have waived their right to a jury trial with respect to any dispute. No provision of this Agreement shall be interpreted more or less favorably towards either party because its counsel drafted all or a portion hereof. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be deemed to be restated to reflect the parties' original intentions as nearly as possible in accordance with applicable law(s). All of the remaining provisions of this Agreement shall nonetheless remain in full force and effect. This Agreement may be executed in counterparts (including by facsimile; email in portable document format (PDF); or, when agreed to in writing by Owner, other electronic means), all of which shall be considered one and the same agreement, and shall become a binding agreement when one or more counterparts have been executed by each Party and delivered to the other Party.
- 35.5. Non-Waiver. The failure of Owner to insist upon strict performance by Supplier or Owner's failure or delay in exercising any rights or remedies provided in the Agreement or by law shall not be deemed or construed as a waiver of any claims. No waiver by Owner of a breach of any provision of the Agreement shall constitute or be construed as a waiver of any other breach or of that provision. No payment, final or otherwise, nor the acceptance of any design, shall be construed as (i) an acceptance of Defective Work, (ii) relieving Supplier of its obligations to make good any defects or consequences for which Supplier may be responsible, or (iii) a waiver of any obligations of Supplier under the Agreement.
- 35.6. Assignment. Supplier shall not assign or transfer any rights, claims, interests, or obligations under this Agreement including monies that are due or may be due, without the prior written consent of Owner, which may be withheld in Owner's sole discretion. Owner may assign, in whole or in part, its rights, claims, interests, and obligations under this Agreement to any party, including affiliates and subsidiaries, without limitation. Upon Assignment by Owner, in whole or in part, of its interest, or obligations under this Agreement and the assumption by Assignee of such interests, or obligations, Assignee shall be responsible for any obligations so assigned, and in the event of such assignment, Owner shall have no further responsibility with respect to such assigned obligations. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, its successors and assigns.
- 35.7. Integration. This Agreement constitutes the entire agreement between the parties and may be amended, modified, or waived only by a written amendment executed by Authorized Representatives of both parties. No approval given, payment made, possession taken, action taken or failure to act by Owner under this Agreement shall operate to relieve Supplier from any of its responsibilities under the Contract Documents or be deemed as an approval by Owner of any deviation contained in any items or documents subject to such approval from, or of any failure by Supplier to comply with, any requirement of the Contract Documents, unless such deviation or failure has been specifically approved by a written modification to this Agreement. A waiver by either party of any breach of this Agreement shall not be held to be a waiver of any other breach whether prior to or subsequent thereto. Unless otherwise stated in a delegation of authority, Owner's Designated Representative does not have authority to amend or waive any portion of this Agreement. The Contract Documents referenced in this Agreement supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. There are no representations, agreements, arrangements or understandings, oral or written, among the parties relating to the subject of this Agreement that are not fully expressed herein.

- 35.8. Construction. Any reference to any federal, state or local statute or law shall be deemed to refer to all rules regulations promulgated thereunder, unless the context requires otherwise. Electronic copies of any Contract Documents maintained by Owner shall be as legally binding and considered in all manner and respects as original manually signed documents. Any such digital copies shall be admissible into evidence of the agreement between the parties in any dispute regardless of the forum to the same extent as original manually signed documents.
- 35.9. FCPA . Supplier has read and understands the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") and certifies that it has always complied and will continue to comply with the FCPA, and all other applicable anti-corruption laws, treaties or conventions. Supplier further certifies that in supplying goods or services to Owner or undertaking any action for the benefit of Owner, it, including any employee, officer, director, owner, partner, affiliate, or agent of Supplier, has not and will not pay, offer to pay, or promise anything of value, directly or indirectly, to any government official, government employee, political party or member thereof, or any employee or representative of any entity affiliated with the government for the purpose of influencing any act or decision of such person to obtain or retain business or for any corrupt purpose. Supplier further certifies that it has and will continue to maintain accurate and complete records of all payments made and business conducted on behalf of Owner and will make such records available to Owner upon request.
- 35.10. Code of Business Conduct. Maintaining a positive reputation with its customers and its regulators is extremely important to Owner and its Affiliates and is key to Owner's business strategy. Owner and its Affiliates' reputations are based not only on Owner and its Affiliates' integrity, but also on the integrity of their suppliers and vendors. Therefore, unless Supplier has its own Code of Business Conduct which has been provided to Owner, Owner expects Supplier to aspire to conduct its business in a manner consistent with Owner's Code of Business Conduct. Owner's Code of Business Conduct can be viewed on the Owner's webpage at: <https://www.nisource.com/docs/librariesprovider2/nisource-documents/nisource-policies/nisource-code-of-business-conduct940d8596dd56b95ad3cff0000cf989e.pdf>. Owner will consider Supplier's performance in acting consistently in accordance with the Code of Conduct when determining whether to award Work pursuant to this Agreement.
- 35.11. Survival. All of the terms of the Agreement which by their nature extend beyond the expiration or termination of the Agreement or Purchase Order, including Indemnity, Supplier's Drawings, Samples and Documentation Retention, Waiver of Consequential Damages, Confidentiality, Inspection, Warranty, Ownership of Work Product, Insurance, Audit obligations, shall survive expiration or termination of the Agreement or Purchase Order and remain in full force and effect.
36. **CLAUSES APPLICABLE TO AGREEMENTS SUPPORTING FEDERAL CONTRACTS.**
- 36.1. If the goods or services provided under this Agreement are used in support of contracts with agencies of the United States Government, the following special terms and conditions, including all conditions referenced to specific Federal Acquisition Regulations (FAR) clauses for contracts and subcontracts , as designated by Owner or any Affiliate of Owner shall be applicable. The text of such provisions referred to in this Article 35 shall be that in effect on the date of the contract between Owner and/or its Affiliate and the Government ("prime contract") or, if no prime contract is cited, the text of such provisions shall be that in effect on the date of this Agreement. Supplier agrees that the following definitions shall apply in interpreting and applying provisions below vis a vis Owner, except where the context requires different construction: "Government" shall mean Owner, "Contracting Officer" shall mean Owner's Procurement Representative and "Contractor" shall mean Contractor, and all references to "Contract" shall mean this Agreement or a related Project or Purchase Order. The application of specific terms or clauses depends on threshold and other requirements as described below:
- 36.2. In all Projects for services, materials and supplies in support of Owner or its Affiliates' Federal contracts:
- FAR 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (not applicable to subcontracts for commercially available off the shelf items)
 - FAR 52.219-8 Utilization of Small Business Concerns (See Article 31)
 - FAR 52.222-50 Combating Trafficking in Persons
 - FAR 52.222-54 Employment Eligibility Verification
 - FAR 52.225-13 Restrictions on Certain Foreign Purchases
 - FAR 52.244-6 Subcontracts for Commercial Items

In such Projects exceeding \$ 10,000

- FAR 52.222-21 Prohibition of Non-Segregated Facilities (See Article 32)
- FAR 52.222-26 Equal Employment Opportunity (See Article 32)
- FAR 52.222-40 Notification of Employee Rights under the National Labor Relations Act

In such Projects exceeding \$ 15,000

- FAR 52.222-36 Equal Opportunity for Workers with Disabilities (See Article 32)

In such Projects exceeding \$ 30,000

- FAR 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment

In such Projects exceeding \$ 100,000

- FAR 52.222-35 Equal Opportunity for Veterans (See Article 32)
- FAR 52.222-37 Employment Reports on Veterans

In such Projects exceeding \$ 150,000

- FAR 52.203-6 Restrictions on Subcontractor Sales to the Government
- FAR 52.203-7 Anti-Kickback Procedures
- FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions

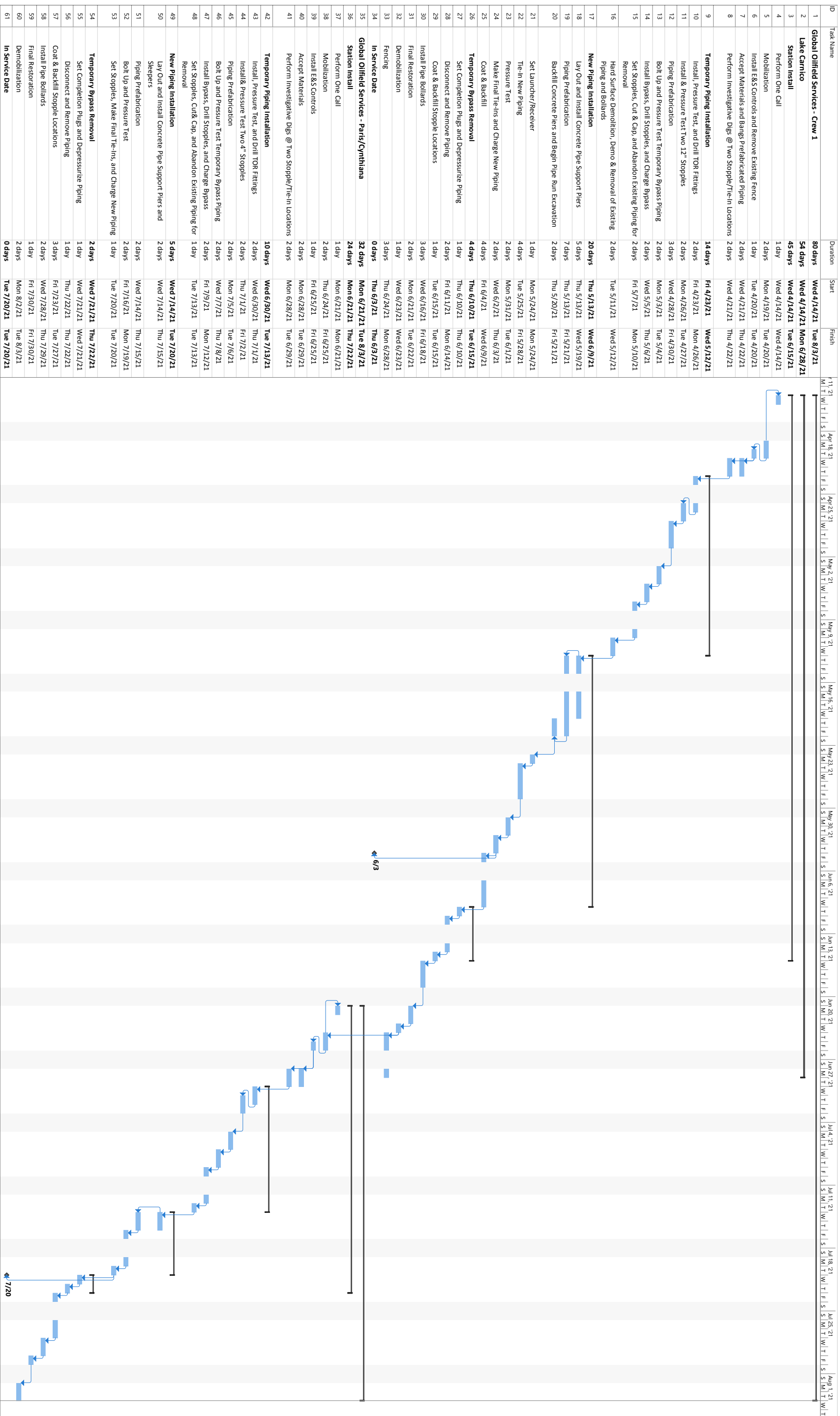
In such Projects exceeding \$700,000 which include lower tier subcontracting opportunities

- FAR 52.219-9 Small Business Subcontracting Plan

- 36.3. Contractor, by signing this Agreement, hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of any contract related to this agreement.
- 36.4. If Contractor engaged any non-employee lobbyists to make lobbying contacts with respect to the awarding of any contract related to this Agreement, Contractor shall complete and submit OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the lobbyists.

END OF TERMS AND CONDITIONS

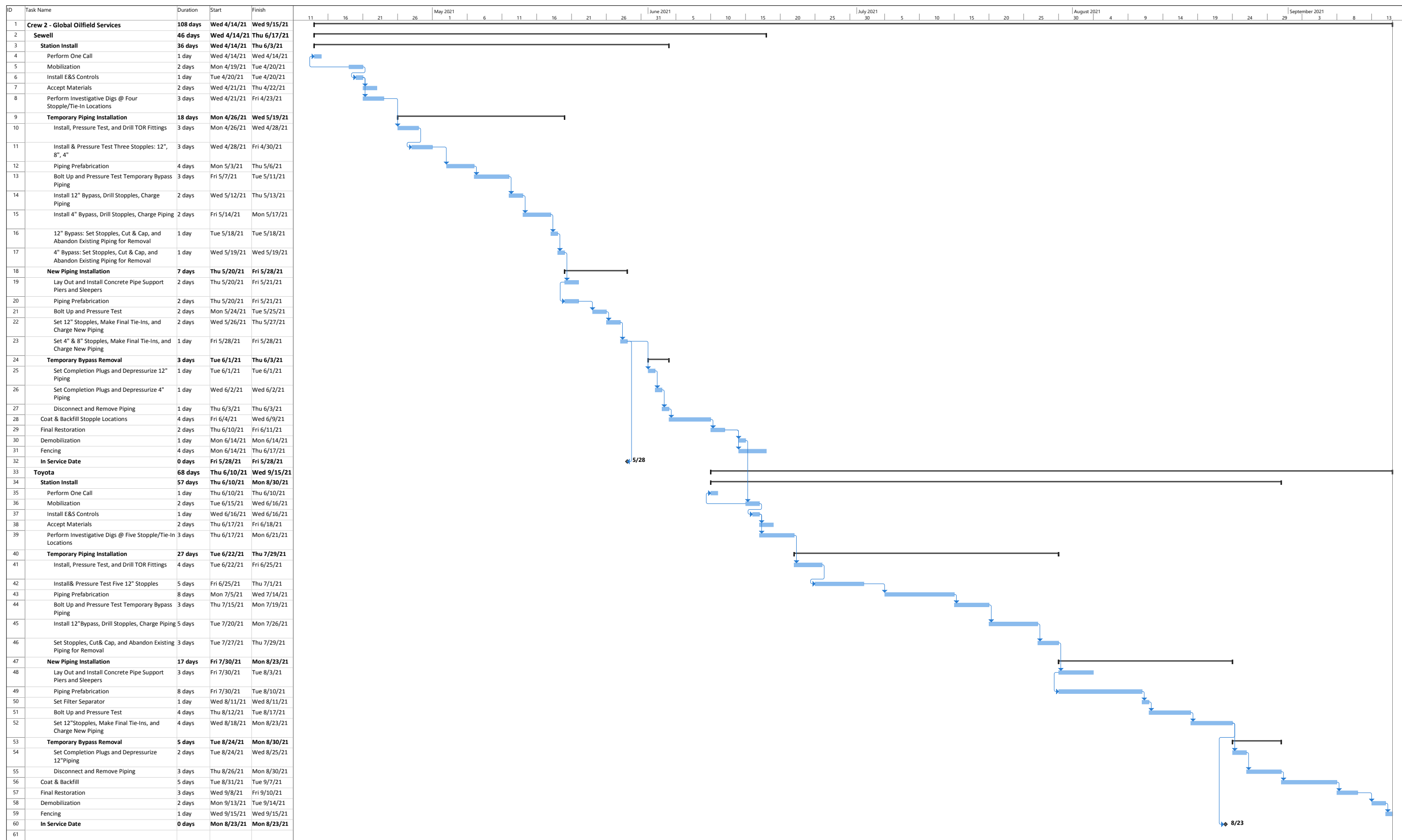
PAGES FILED
UNDER SEAL
PURSUANT TO
COMMISSION
ORDER

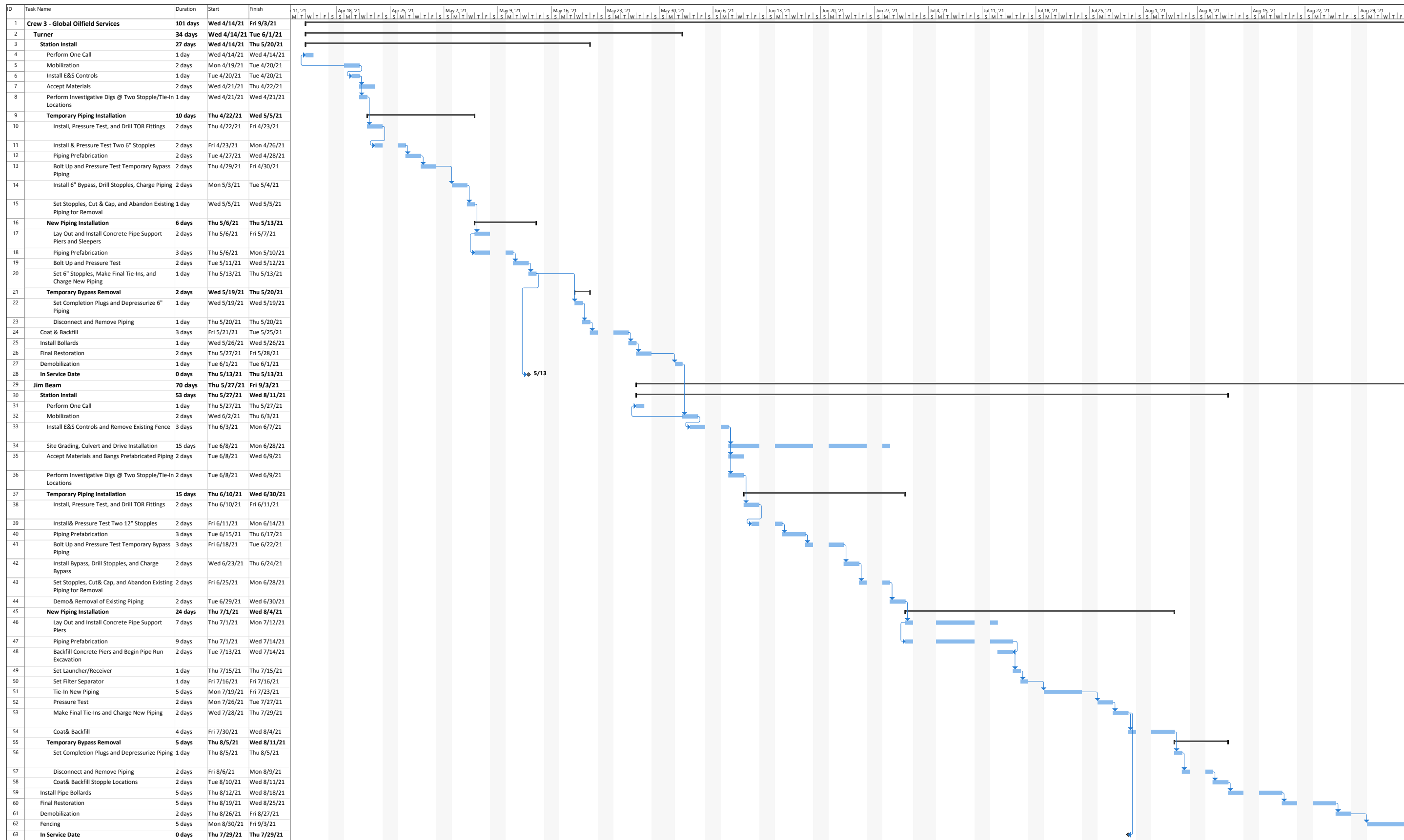


Project: GOF5 Schedule
 Date: Tue 10/27/20

Task Split Milestone Summary Inactive Milestone Manual Task Duration-only Manual Summary Rollup Manual Summary Start-only External Tasks External Milestone Progress Manual Progress

Page 1

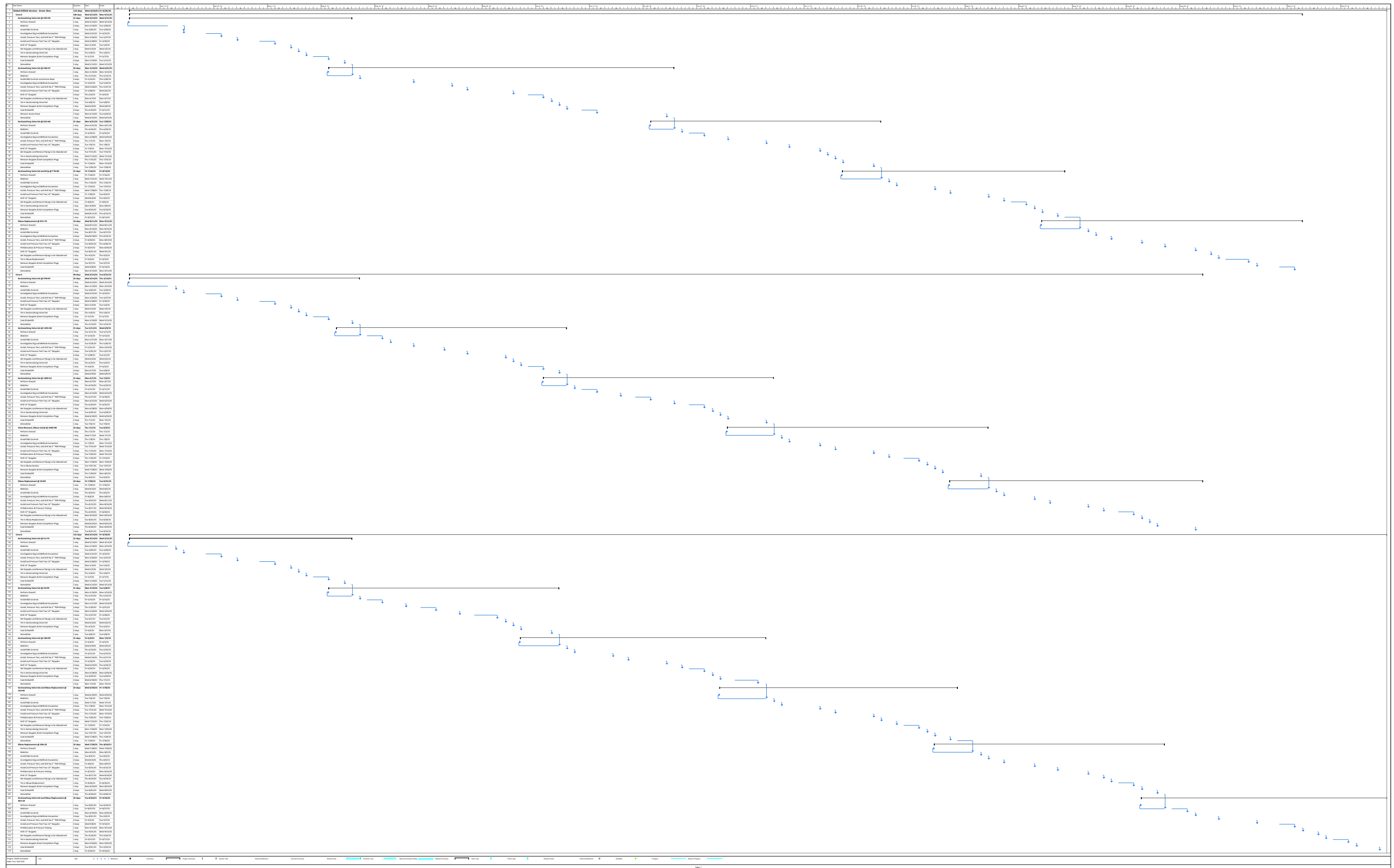




Project: GOF S Schedule
 Date: Tue 10/27/20

Task Split
 Milestone
 Project Summary
 Inactive Task
 Inactive Milestone
 Inactive Summary
 Manual Task
 Duration-only
 Manual Summary Rollup
 Manual Summary
 Start-only
 Finish-only
 External Tasks
 External Milestone
 Deadline
 Progress
 Manual Progress

Page 1



Columbia Gas of Kentucky

Reference: Toyota ILI Retro Fit
Clarifications, Assumptions & Exclusions

We appreciate the opportunity to submit a response to the Toyota ILI Retro Fit. Please see below a list of clarifications, assumptions and exclusions to our proposal.

Clarifications, Assumptions & Exclusions

1. General

- Assumes having full access to project sites no later than April 14th, 2021.
- Assumes delivery of Nisource provided materials starting on the dates shown on our Schedules.
- Assumes that material will be delivered to the appropriate site it is to be installed on.
- Clarifies that GOFS intends to work a standard construction schedule of five days per week, up to 10 hours per day.
- Assumes installation of piping and equipment per plans at the time of the bid.
- Clarifies that all NDT services are provided by Nisource.
- Clarifies that GOFS has included the labor and equipment resources required to unload, store, track and document all Nisource provided materials and equipment.
- Clarifies that GOFS has included sand for padding of pipe.
- Assumes that native soils can be used for backfilling ditch.
- Excludes grounding from our bid
- Excludes electrical from our scope, this includes electrical & lighting for the buildings.
- Assumes that all prefabricated components will arrive pressure tested and painted
- Assumes that all prefabricated components will arrive pre-assembled, this includes the insulators gaskets.
- Assumes that all Nisource provided materials and equipment will be made available to GOFS as needed to not interfere with project scheduling.
- Clarifies that Global will be assisting CKY for final tap into existing pipelines. (material to be provided by CKY)
- Clarifies that Nisource will be providing the stopple contractor.
- Clarifies that all survey and site layout is provide by Nisource
- Clarifies that GOFS has excluded E&S controls from our proposal, none are shown on the drawings.
- Clarifies that GOFS has excluded purchasing & installing any Stainless-Steel tubing.
- Clarifies that GOFS has excluded SCADA ditch from our proposal.
- Clarifies that GOFS has excluded planting of trees and landscape, there are none shown on the drawings.
- Clarifies that GOFS will assist with commissioning activities.
- Clarifies that GOFS will remove any existing trees.
- Clarifies that Nisource provides EZ-Line pipe supports, including temporary supports.
- Clarifies that Nisource will provide the building & hire a 3rd party contractor for install.
- Clarifies that GOFS has included timber mats for line crossings, GOFS assumes no air bridges are required.

- Clarifies that all CKY provided material will be delivered to the appropriate site the material belongs to.
- Clarifies that no customer meters will need replaced.
- Clarifies that GOFS has included rock excavation in our proposal.
- Clarifies that no station stone plans were given for the projects, GOFS has included estimated quantities of stone for the sites and called out the quantities below.
- Clarifies that GOFS excluded installation of any lines running to future PIC units, we cannot find where these are reference on the drawings.
- Clarifies that no compaction testing will be required.
- Clarifies that no concrete testing will be required.

2. Demolition

- Clarifies that GOFS has included labor and equipment to cut & cap existing pipe below grade.
- Clarifies that GOFS has included labor and equipment to remove the existing foundations 1' below grade.
- Clarifies that GOFS has included labor and equipment to remove existing fencing as shown on drawings.
- Clarifies that GOFS has excluded asbestos abatement, if any is found, there will be additional costs for removal.
- Clarifies that GOFS has excluded removal of any lead-based paint, if lead based paint is found this will be an additional cost.

3. Paris Cynthia Station

- Clarifies that no fencing is being removed or installed for the Paris Cynthia Station.
- Clarifies that GOFS has included the following concrete foundations in our bid.
 - One (1) Pipe Support Detail 1
- Clarifies GOFS has included the installation of (5) 6" pipe bollards.
- Clarifies that GOFS has included 20 TON of #57 limestone for this site.
- Clarifies that GOFS has included 40 TON of #1&2 limestone for this site.

4. Sewell Station

- Clarifies that GOFS has included the installation of the following fencing in our proposal.
 - Up to 120 LF of chain link fence with privacy slats
 - 1 vehicle gate
- Clarifies that GOFS has included 120 LF of temporary fencing around the POD site.
- Clarifies that GOFS will demo 120 LF of existing fence.
- Clarifies that GOFS has included the following concrete foundations in our bid.
 - One (1) Pipe Support Detail 1
- Clarifies that no concrete bollards will be installed.
- Clarifies that GOFS has included 20 TON of #57 limestone for this site.
- Clarifies that GOFS has included 40 TON of #1&2 limestone for this site.

5. Toyota Station

- Clarifies that no fencing is being removed or installed for the Toyota Station.

- Clarifies that GOFS will provide & install 4 each concrete K Rails.
- Clarifies that GOFS has included the following concrete foundations in our bid.
 - Four (4) 36" diameter sonotube foundations
- Clarifies that no concrete bollards will be installed.
- Clarifies that GOFS has included 40 TON of #57 limestone for this site.
- Clarifies that GOFS has included 40 TON of #1&2 limestone for this site.

6. Turner Station

- Clarifies that no fencing is being removed or installed for the Turner Station.
- Clarifies that GOFS has included the following concrete foundations in our bid.
 - One (1) Pipe Support Detail 1
- Clarifies GOFS has included the installation of (2) 6" pipe bollards.
- Clarifies that GOFS has included 20 TON of #57 limestone for this site.
- Clarifies that GOFS has included 40 TON of #1&2 limestone for this site.

7. Jim Beam Station

- Clarifies that GOFS has included the installation of the following fencing in our proposal.
 - Up to 210 LF of chain link fence with privacy slats
 - 2 vehicle gates
- Clarifies that GOFS has included 210 LF of temporary fencing around the POD site.
- Clarifies that GOFS will demo 150 LF of existing fence.
- Clarifies that GOFS has included the following concrete foundations in our bid.
 - Two (2) Pipe Support Detail 1
 - Five (5) Pipe Support Detail 2
 - Three (3) Pipe Support Detail 3
 - Four (4) Filter Separator Foundations
- Clarifies GOFS has included the installation of (16) 6" pipe bollards.
- Clarifies that GOFS has included 200 TON of #304 limestone for this site.
- Clarifies that GOFS has included 400 TON of #1&2 limestone for this site.
- Clarifies that GOFS has included site grading work and will haul off up to 224 CY of excess cut material.

8. Lake Carnico Station

- Clarifies that GOFS has included the installation of the following fencing in our proposal.
 - Up to 50 LF of chain link fence with privacy slats
 - 1 vehicle gate
- Clarifies that GOFS has included 50 LF of temporary fencing around the POD site.
- Clarifies that GOFS will demo 50 LF of existing fence.
- Clarifies that GOFS has included the following concrete foundations in our bid.
 - Two (2) Pipe Support Detail 1
 - Three (3) Pipe Support Detail 2
 - Three (3) Pipe Support Detail 3
 - Four (4) Filter Separator Foundations
- Clarifies GOFS has included the installation of (22) 6" pipe bollards.

- Clarifies that GOFs has included 60 TON of #57 limestone for this site.
- Clarifies that GOFs has included 60 TON of #1&2 limestone for this site.
- Clarifies that GOFs will restore any disturbed asphalt back to previous state based on the following assumptions.
 - Assumes 4" stone base
 - Assume 3" asphalt topcoat
 - Assumes up to 2,020 SF.

9. Pigging Activities

- Clarifies that GOFs has included a 3-man crew for 7 days to assist with pigging activities.
- Clarifies that there is no way to quantify the amount of fluid we will encounter when pigging, GOFs has excluded all frac tanks, containment, & fluid disposal from our proposal. This will be billed back to Nisource on a cost+ basis.
- Clarifies that GOFs will provide equipment for lifting equipment at both sites for pigging activities.
- Clarifies that CKY will provide all pigs.
- Clarifies that CKY will provide 3rd party vendor for pigging services.

10. Pipeline Fittings

- Clarifies that no bypass is required at STA 917+74.
- Clarifies that GOFs has not included any environmental controls for the pipeline fitting sites, once E&S drawings are issued, GOFs will provide a price.
- Clarifies that GOFs has included the following fencing for all Pipeline Fitting Site.
 - Up to 75lf of chain link fence with privacy slats.
 - 2 man gates with panic hardware.
- Clarifies that the access road at 446+57 will be gravel and removed when finished.
- Clarifies that GOFs has not included a bypass if one is not shown on the drawings.
- Clarifies that GOFs has not included any gravel, bridges, clearing, or grading for the access at STA 318+22.
- Clarifies that GOFs has not included any gravel, bridges, clearing, or grading for the access at STA 51+73.
- Clarifies that Trabu Road at 776+06 will be top coated with gravel to the black top road, GOFs has included 861 TON of #57 limestone to do this.
- Assumes that no road crossing is required for STA 978+97, all work will be done under soft surface off the side of the road.

PAGES FILED
UNDER SEAL
PURSUANT TO
COMMISSION
ORDER