

**SUNDSTROM
& MINDLIN, LLP**

Attorneys | Counselors

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

PHONE (850) 877-6555
FAX (850) 656-4029

September 19, 2016

www.sfflaw.com

VIA ELECTRONIC FILING

Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Redacted

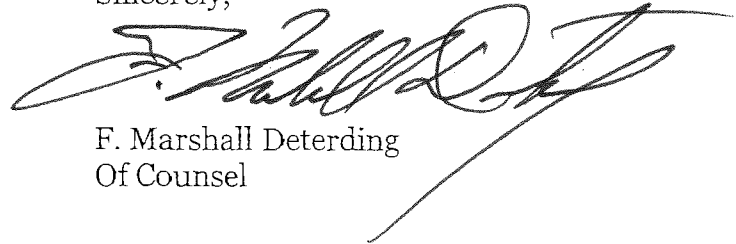
Re: Ni Florida, LLC; Application for a Rate Increase in Pasco & Lee Counties, Florida
Docket No. 160030-WS
Staff's 4th Data Request

Dear Ms. Stauffer,

I am hereby filing the Utility response to the Commission Staff's fourth data request. A copy of each data request and response is attached hereto for your reference.

If you or any members of staff have any questions this regard please do not hesitate to contact me

Sincerely,



F. Marshall Deterding
Of Counsel

FMD/brf

cc: Sonica Bruce
Todd Brown
Kyesha Mapp
Shannon Hudson
Benny Wilkinson

Question 1: In response to Staff's First Data Request, Question 1, the utility provided invoices for the Tower Drive collection system replacement project. Invoice #03085 dated August 18, 2015 from Utility Group of Florida, LLC is for payment of \$17,609.23 to AWC, Inc. to "expedite purchase of Mission Communications."

- a. Why was it necessary to expedite the purchase?
- b. Please provide a detailed explanation of the material, fees, charges, etc. included in the invoiced amount of \$17,609.23.
- c. Please provide a copy of invoice #S01090590, referenced on Utility Group of Florida, LLC invoice #03085.
- d. Are these the same Mission units that were included in pro forma plant in the 2013 order?
- e. If so, why were these units not installed earlier when the utility planned to purchase them as early as 2013?

Response:

- a. In order to move the project along toward completion, Ni Florida decided to order the installation of the Mission units earlier than had been planned initially. The term "expedite" was used on this invoice, but it did not affect the price.
- b. This invoice was for six (6) Mission units and their installation.
- c. Invoice S01090590 referenced on Utility Group of Florida, LLC Invoice #3085 is attached.
- d. These are not the same Mission units included in pro forma plant in the 2013 order (See attached 2013 order for \$91,042.40).
- e. Since they are not the same Mission units, this item is not applicable.

Utility Group of Florida, LLC.

10130 Scenic Dr.
 Port Richey, FL 34668
 Phone (727) 863-5161
 Fax (727) 869-5913

Invoice

Date	Invoice #
8/18/2015	03085
Due Date	Terms
9/17/2015	Net 30

Bill To
Ni Florida, LLC 10130 Scenic Drive Port Richey, FL 34668

P.O. No.

Project

Service Date	Item	Description	QTY	Rate	Amount
8/18/2015		Hudson Payment made to AWC, Inc to expedite purchase of Mission Communications. Invoice attached.			
	Parts / Materials Pro...	Invoice SO1090590	1	17,609.23	17,609.23
			Total \$17,609.23		
			Payments/Credits \$0.00		
			Balance Due \$17,609.23		

AWC, Inc.

Serving you from: AWC - ATLANTA
(770) 922-7225

Thank you... We Appreciate Your Business!

Invoice No.: SO1090590
Invoice Date: 8/18/2015
Terms: VISA-PRE-BILL
Customer Order: 81715-03
Ordered by: JOHN WITTENZELLNER

Bill To
NI AMERICA
10913 METRONOME DR
HOUSTON, TX 77043

Ship To
NI AMERICA
14190 63RD WAY NORTH
ATTN: GWENDOLYN REDLEAF
CLEARWATER, FL 33760

Customer No.	Inside Sales	Outside Sales	S.O. No.	Ticket	Org.	Shipped VIA/Track No.	
SP025	BILLH	30U	1090590	01	03	UPS;Ground; PPA	
Part No.	Description		Ord.	Shp.	B.O.	Unit Price	Amount
001	MC M803	Mission Communications RTU-W	6.	0.	6.	1995.000	11970.00
002	MC 651	Mission Communications Wet Wel	6.	0.	6.	165.000	990.00
003	MC 580	Mission Communications Service	6.	0.	6.	563.4000	3380.40
Please Reference AWC, Inc. S.O. #1090590 on all correspondence.							
PRE-BILLED \$17,617.98 AUTH BL0PC7DFDDF							
CREDIT OF (\$8.75) AUTH BU0PD72A633D							
TOTAL CHARGE \$17,609.23							

Wire & ACH:CTX Instructions:
JPMorgan Chase
451 Florida St., Baton Rouge, LA 70801
ACH/EFT # [REDACTED]
Acct # [REDACTED] 1
Wire # [REDACTED]

Remit To:
AWC Inc.
P.O. Box 974800
Dallas, TX 75397-4800

Subtotal:	\$16,340.40
Tax:	\$1,143.83
Freight:	\$125.00
Total:	\$17,609.23

Ask about our electronic invoicing options! Call: (225) 752-1100

Invoice

Unless otherwise agreed to in writing by both parties, all sales are subject to AWC's "Standard Terms and Conditions of Sale", which are available at <http://www.awc-inc.com/AWCtermsAndConditions.pdf>, and also available upon request.

AWC, Inc.

3214 Queen Palm Drive Suite 100
TAMPA, FL 33619

TO: NI AMERICA
JOHN WITTENZELLNER
10130 SCIENIC DRIVE
PORT RICHEY, FL 33568

Attn: Andy Thomas
Phone: (713) 819-8416
Fax:
Email: Athomas@niamerica.com

Quotation #: 613883

Date: December 13, 2012
Inquiry #: rfc Mission
Terms: Net 30
Shipment Method: UPS;Ground; PPA
Quote Good Through: January 12, 2013
Sales: 813-309-7785
Contact: Mike Merino
Fax:
Account Code: INIAMDA

Page 1 of 1

Please reference AWC, Inc. Quote # 613883 on all correspondence.

LI #	Qty	Part Number / Description	Unit Price	Ext. Price
001	36	MC M803C M800 CONT MONITOR FLATPAK	\$1,795.0000	\$64,620.00
002	36	MC 580 M800 SERVICE PKG 1 YR	\$563.4000	\$20,282.40
003	1	MI FREIGHT Freight	\$200.0000	\$200.00
004	36	MC 651 WET WELL MODULE REV2	\$165.0000	\$5,940.00
			*** Quotation Total: ***	\$91,042.40

Delivery of order: 5 working days A.R.O. (Unless noted above)

Quotation

Subject to AWC's Standard Terms and Conditions of Sale (available at www.awc-inc.com/AWCTermsAndConditions.pdf)

Question 2: Please identify the specific work performed for each of the invoiced contingency amounts listed below and provide support documentation:

- a. Invoice #0057509 from the Utility Group of Florida, LLC dated June 29, 2015: \$650.
- b. Invoice #0059059 from the Utility Group of Florida, LLC dated July 23, 2015: \$3,600 for contingencies.
- c. Invoice #03197 from the Utility Group of Florida, LLC dated February 17, 2016: \$2,250 for contingencies.

Response: Invoices #0057509, #0059059, and #03197 from Utility Group of Florida, LLC all show an amount for contingencies. However, these invoices for the Rhodes Road project were part of the billing for a fixed-amount, lump-sum project, which was to be billed at 100% of the accepted bid, which included an estimated amount for contingencies. Although these amounts are shown separately as contingencies, it is merely done so to bill the full amount of the fixed amount of the project estimate.

Question 3: In response to Staff's First Data Request, Question 7, the utility provided information in support of its Contractual Services – Other expense for the wastewater system. As part of its response, the utility included for \$4,014.00 (03/02/15) and \$1,274.71 (07/01/15) for "annual software maintenance and updates." Please provide the following:

- a. An explanation of the services performed and whether they are routinely done more than once a year.
- b. A copy of the software maintenance contract with RVS Software.
- c. The total spent by Hudson Utilities per year on software maintenance and updates for 2013 and 2014.

Response:

- a. These invoices are for technical support and updates to the RVS billing software. In researching this issue, it was determined that the \$4,014.00 charge was related to Ni America Texas, LLC, and not Ni Florida, LLC. This charge should be removed from Hudson expenses.
- b. There is no software maintenance contract with RVS Software.
- c. The amount spent by Ni Florida per year on RVS software maintenance and updates for 2013 was \$1,401.00 and for 2014 was \$1,401.00. See attached invoices for the charges for 2013 and 2014. These amounts should be allocated to Hudson and Tamiami based on ERCs, just as the 2015 amount was done ($\$1,608.00 \times 3,010$ Hudson ERCs/ $3,797$ Ni Florida ERCs = \$1,274.71 for 2015 Hudson expense).

RVS Software

317 Ranch Rd 620 S. Suite 310 Austin, TX 78734 (512) 263-8096 (800) 227-9195

Invoice

07-01-2013

Account # 6185

Ni Florida
10130 Scenic Dr
Port Richey FL

Invoice # 119424

34668

<u>Description</u>	<u>Qty.</u>	<u>Unit Price</u>	<u>Amount</u>
Annual Software Maintenance and Updates Annual Fee Starting Date: 08-05-13	1	1,401.00	1,401.00
Total			===== \$ 1,401.00

Toll-free direct line for orders. (Forms & Supplies)

1-866-RVS-BILL (1-866-787-2455)

RVS Software

317 Ranch Rd 620 S. Suite 310 Austin, TX 78734 (512) 263-8096 (800) 227-9195

Invoice

07-02-2014

Account # 6185

Invoice # 126439

Ni Florida
10913 Metronome Dr
Houston TX

77043

<u>Description</u>	<u>Qty.</u>	<u>Unit Price</u>	<u>Amount</u>
Annual Software Maintenance and Updates Annual Fee Starting Date: 08-05-14	1	1,401.00	1,401.00
Total			=====
			\$ 1,401.00

Toll-free direct line for orders. (Forms & Supplies)

1-866-RVS-BILL (1-866-787-2455)

Question 4: In response to Staff's First Data Request, Question 9, the utility provided a contract dated August 29, 2008. The utility also provided an addendum dated July 28, 2010 that is applicable to Tamiami.

- a. Are the 2008 contract and 2010 addendum, referenced above, the documents currently governing the contractual operation of Ni 's water system?
- b. Is the 2008 contract, referenced above, the document currently governing the contractual operation of Ni 's wastewater system?
- c. On or about what date did the monthly contract amount change to \$14,000 per month for the wastewater system?
- d. Why was a formal addendum to change to the monthly contractual services fee not undertaken?

Response:

- a. Yes. The contract includes certain categories of work to be performed under the contract. At times the operations contractor, Utility Group of Florida, LLC, provides invoices for work done that Ni Florida personnel determine are included in the contract. Alternatively, sometimes the operations contractor provides invoices for work done that Ni Florida personnel determine are not included in the contract. After careful review of these costs by both the utility and the contractor it was determined that these costs were not covered by the contract and as such were billed separately. These costs are normal, ordinary costs (though the specific nature of the cost may vary somewhat) which are expected to recur in future years. The process is more substance over form and based on each party's interpretation of the contract. Ni Florida has a long-time working relationship with Utility Group of Florida.
- b. Yes. The contract includes certain categories of work to be performed under the contract. At times the operations contractor, Utility Group of Florida, LLC, provides invoices for work done that Ni Florida personnel determine are included in the contract. Alternatively, sometimes the operations contractor provides invoices for work done that Ni Florida personnel determine are not included in the contract. After careful review of these costs by both the utility and the contractor it was determined that these costs were not covered by the contract and as such were billed separately. These costs are normal, ordinary costs (though the specific nature of the cost may vary somewhat) which are expected to recur in future years. The process is more substance over form and based on each party's interpretation of the

contract. Ni Florida has a long-time working relationship with Utility Group of Florida.

- c. On January 1, 2013 the Hudson contract operations fee changed from \$14,684.25/month to \$14,000.00/month based on a verbal agreement.
- d. Since the current working arrangement is sufficient, Ni Florida did not feel it was necessary to spend the effort to formalize the change.

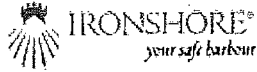
Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 5: Please provide support documentation for the utility's pollution insurance policy renewal.

Response: Attached is the pollution insurance policy and premium related to the additional endorsement to add Ni Florida.

Prepared by: Benny Wilkinson



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement #

Policy Number: 0023341600

Insured Name: Pacolet Milliken Enterprises, Inc.

Effective Date of Endorsement: August 3, 2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF COVERED PROPERTIES

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows for an additional premium of \$6,000.00:

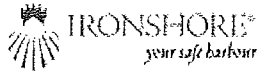
The following location(s) is(are) added to Item 9. Covered Property(ies) set forth in the Declarations:

All assets for Hudson & Tamiami Utilities as referenced in the Ni American Capital Management List of Real Estate related to Ni-owned Water and Wastewater Systems on file with the Company.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

September 14, 2016
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection.

**SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT
(SPILLS)**

DECLARATIONS

SOME COVERAGES AFFORDED BY THIS POLICY ARE LIMITED TO CLAIMS THAT ARE FIRST MADE AND REPORTED TO THE INSURER WITHIN THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. PLEASE READ IT CAREFULLY.

Policy Number:	002334600	Renewal of Policy Number:	New
Item 1. Named Insured & Mailing Address:	Pacolet Milliken Enterprises, Inc. 105 Corporate Drive Spartanburg, SC 29303		
Item 2. Broker & Mailing Address :	Arthur J. Gallagher (SC) 15 South Main Street SUITE NO 900 Greenville, SC 29601		
Item 3. Policy Period	Effective:	March 20, 2015	Expiration: March 01, 2017
	12:01 a.m. standard time at the address of the Named Insured as shown above.		
Item 4. Policy Aggregate Limit:	\$3,000,000		

This Policy includes only those Coverages, as stated in Section I, of the Policy for which deductibles and limits of liability appear below. If no deductible or limits of liability appear for a particular Coverage below, that Coverage has not been purchased and does not apply. The descriptions in parenthesis are for convenience purposes only. Please read the Policy for the actual terms and conditions of a particular Coverage.

Item 5. COVERAGES, COVERAGE SECTION LIMITS, AND DEDUCTIBLES:			
Coverage	Deductible- Each Incident	Each Incident Limit	Coverage Aggregate Limit
A.1. a. (Remediation Expenses -Onsite Pre-Existing Conditions)	N/A	N/A	N/A
A.1.b. (Remediation Expenses – Onsite New Conditions)	\$25,000	\$3,000,000	\$3,000,000
A.2.a. (Remediation Expenses -Offsite Pre-Existing Conditions)	N/A	N/A	N/A
A.2.b. (Remediation Expenses -Offsite New Conditions)	\$25,000	\$3,000,000	\$3,000,000
B. (Emergency Response Expenses)	\$25,000	\$3,000,000	\$3,000,000
C.1.a. (Third Party Claims - Onsite Pre- Existing Conditions)	N/A	N/A	N/A
C.1.b. (Third Party Claims - Onsite New Conditions)	\$25,000	\$3,000,000	\$3,000,000
C.2.a. (Third Party Claims - Offsite Pre- Existing Conditions)	N/A	N/A	N/A
C.2.b. (Third Party Claims - Offsite New Conditions)	\$25,000	\$3,000,000	\$3,000,000
D.1. (Transportation – Pre-Existing Conditions)	N/A	N/A	N/A
D.2. (Transportation – New Conditions)	\$25,000	\$3,000,000	\$3,000,000
E. (Waste Disposal Activities)	\$25,000	\$3,000,000	\$3,000,000

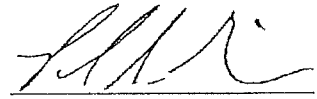
Coverage	Deductible (Days)	Business Interruption (Days) Limit	Business Interruption (\$) Limit
F.1. (Business Interruption – Pre- Existing Conditions)	N/A	N/A	N/A
F.2. (Business Interruption – New Conditions)	7	365	\$3,000,000

Item 6.	Policy Premium:	\$69,031.00
	Premium for Acts of Terrorism (TRIA):	\$2,071.00
	Total Premium (Including TRIA):	\$71,102.00

Compliance with all surplus lines placement requirements, including stamping the Policy and collection and payment of surplus lines taxes, is the responsibility of the broker.

Item 7.	Minimum Earned Premium:	100%
Item 8.	Intended Use:	Waste Water Treatment
Item 9.	Covered Property(ies):	See Schedule of Covered Properties Endorsement
Item 10.	Waste Disposal Activities Retroactive Date:	03/20/2015
Item 11.	Separation Date Between Pre and New Conditions Coverage:	03/20/2015
Item 12.	Policy Coverage Form: Endorsements:	IE.COV.SPILLS.SEL.001 (1111) Select Coverage Form See SCHEDULE OF ENDORSEMENTS

Date: March 30, 2015
MO/DAY/YR.


Authorized Representative

Named Insured: Pacolet Milliken Enterprises, Inc.

Policy Number: 002334600

Effective 12:01 AM: March 20, 2015

SCHEDULE OF ENDORSEMENTS

Endorsement number - Form Number - Edition Date - Form Name

1. IE.PN.ALL.002 (0913) Notice of Claim
2. IE.END.ALL.003 (0409) TRIA Purchased
3. IE.END.ALL.001 (0409) Named Insured
4. IE.END.SPILLS.SEL.030 (1111) Schedule of Covered Properties
5. MANUSCRIPT: Site Specific Separation Date Amendatory Endorsement
6. MANUSCRIPT: Impoundment Exclusion Endorsement



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement # 1

Policy Number: 002334600

Effective Date of Endorsement: March 20, 2015

Insured Name: Pacolet Milliken Enterprises, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIM AND NOTICE REPORTING

Subject to the claims and notice reporting provisions within the policy, claim and notice reports may be given in writing via:

POSTAL SERVICE to:

Ironshore Environmental Claims CSO
175 Powder Forest Drive, 1st Floor
Weatogue, CT 06089

E-MAIL to:

Ironenviroclaims@ironshore.com

FAX to:

646-826-4814

By phone via:

24 Hour Claims Phone Number:

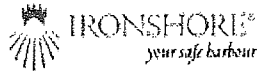
(888) 292-0249

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

March 30, 2015

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement # 2

Policy Number: 002334600

Effective Date of Endorsement: March 20, 2015

Insured Name: Pacolet Milliken Enterprises, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CAP ON CERTIFIED ACTS OF TERRORISM
AND EXCLUSION OF OTHER ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)
CONTRACTORS ENVIRONMENTAL LEGAL LIABILITY (CELL)
ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)
ENVIRONMENTAL EXCESS LIABILITY

It is hereby agreed that the policy is amended as follows:

1. The following Exclusion is added

This insurance does not apply to:

Other Act of Terrorism

Any injury or damage arising, directly or indirectly, out of an other act of terrorism.

2. Disclosure Of Premium

You are hereby notified in accordance with the federal Terrorism Risk Insurance Act of 2002, as amended in 2007 (the "Act"), that a portion of your premium is attributable to coverage for certified acts of terrorism. The portion of your premium attributable to such coverage is shown in the in the policy Declarations.

3. **Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

4. **Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to **certified acts of terrorism** exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

5. For the purposes of this endorsement, the following definitions are added:

- a. **Any injury or damage** means any injury or damage covered under the policy and includes but is not limited to **bodily injury, property damage, environmental damage, remediation expense, emergency response expense, personal and advertising injury, negligent acts, errors or omissions or professional incident** as may be defined in the policy.
- b. **Other act of terrorism** means:
 - (1) A violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
 - (2) The act is not a **certified act of terrorism**.
- c. **Certified act of terrorism** means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:
 - (1) The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - (2) The act resulted in damage:
 - (a) Within the United States (including its territories and possessions and Puerto Rico); or
 - (b) Outside of the United States in the case of:
 - i. An air carrier (as defined in the Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - ii. The premises of any United States mission; and

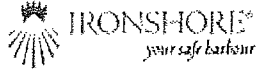
- (3) The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



Authorized Representative

March 30, 2015
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement # 3

Policy Number: 002334600

Effective Date of Endorsement: March 20, 2015

Insured Name: Pacolet Milliken Enterprises, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)
CONTRACTORS ENVIRONMENTAL LEGAL LIABILITY (CELL)
ENVIRONMENTAL PROTECTIVE INSURANCE COVERAGE PACKAGE (EPIC PAC)
ENVIRONMENTAL EXCESS LIABILITY

It is hereby agreed that the following are added to Item 1. of the Declarations as Named Insureds:

1. Ni Pacolet Milliken Utilities, LLC
2. Ni America Operating, LLC
3. Ni South Carolina, LLC
4. Ni South Carolina Utilities, Inc
5. Ni South Carolina Environmental Services, LLC
6. Palmetto Utilities , Inc.
7. 1710 Woodcreek Farms Road, LLC
8. Palmetto Wastewater Reclamation, LLC
9. Palmetto of Richland County, LLC

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

March 30, 2015

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement # 4

Policy Number: 002334600
Insured Name: Pacolet Milliken Enterprises, Inc.

Effective Date of Endorsement: March 20, 2015

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF COVERED PROPERTIES

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

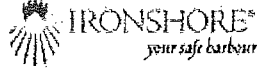
The following location(s) is(are) added to Item 9. Covered Property(ies) set forth in the Declarations:

1. 1710 Woodcreek Farms Road Elgin, SC 29045
2. 120 Brazell Lane Elgin, SC 29045
3. 1766 Rush Road Elgin, SC 29045
4. 150 Brazell Road Elgin, SC 29045
5. Palmetto 5 Steel Wastewater Treatment System Elgin, SC 29045
6. 1610 Bush River Road Columbia, SC 29210
7. 2524 Rolling Pines Road Columbia, SC 29201

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

March 30, 2015
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement # 5

Policy Number: 002334600

Effective Date of Endorsement: March 20, 2015

Insured Name: Pacolet Milliken Enterprises, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SITE SPECIFIC SEPARATION DATE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS) - ALL

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

Solely with respect to the Covered Properties scheduled below, it is hereby agreed that Item 11. Separation Date Between Pre and New Conditions Coverage is deleted in its entirety and replaced with the following:

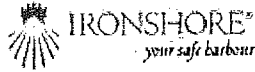
11. Separation Date Between Pre and New Conditions Coverage shall be the date set forth below for each respective Covered Property:

<u>Covered Property</u>	<u>Separation Date</u>
1. 1710 Woodcreek Farms Road Elgin, SC 29045	11/18/10
2. 120 Brazell Lane Elgin, SC 29045	11/18/10
3. 1766 Rush Road Elgin, SC 29045	11/18/10
4. 150 Brazell Road Elgin, SC 29045	11/18/10
5. Palmetto 5 Steel Wastewater Treatment System Elgin, SC 29045	11/18/10
6. 1610 Bush River Road Columbia, SC 29210	11/18/13
7. 2524 Rolling Pines Road Columbia, SC 29201	11/18/13

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

March 30, 2015
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Endorsement # 6

Policy Number: 002334600
Insured Name: Pacolet Milliken Enterprises, Inc.

Effective Date of Endorsement: March 20, 2015

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IMPOUNDMENT EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

The following is added to Section III. EXCLUSIONS – ALL COVERAGES:

IMPOUNDMENTS

Any Remediation Expenses or Emergency Response Expenses due to or associated with:

1. any Pollutants in any impoundment, including, without limitation, any pond, pit or landfill; or
2. any soil contamination that is located within five (5) feet of the lateral boundaries or five (5) feet of the upper or lower boundaries of such impoundment.

However, this exclusion shall not apply to any Remediation Expenses or Emergency Response Expenses incurred exclusively beyond the boundaries set forth in paragraph 2. above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

March 30, 2015
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

**SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT
(SPILLS)
COVERAGE FORM**

Insured Name: Pacolet Milliken Enterprises, Inc.

Policy Number: 002334600

IMPORTANT INFORMATION FOR THE INSURED: CAREFULLY REVIEW THIS POLICY IN FULL. IT CONTAINS PROVISIONS WHICH RESTRICT, EXCLUDE OR OTHERWISE REDUCE OR CURTAIL COVERAGE, AND IT MAY BE DIFFERENT FROM OTHER INSURANCE POLICIES THAT YOU HAVE SEEN OR PURCHASED IN THE PAST. LEGAL FEES AND EXPENSES ARE INCLUDED WITHIN AND ERODE THE LIMITS OF LIABILITY AND ARE SUBJECT TO THE DEDUCTIBLE.

SOME COVERAGES AFFORDED BY THIS POLICY ARE LIMITED TO CLAIMS THAT ARE FIRST MADE AND REPORTED TO THE INSURER WITHIN THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD.

THE HEADINGS DO NOT CONSTITUTE TERMS OR CONDITIONS OF THIS POLICY AND ARE INCLUDED SOLELY FOR CONVENIENCE. THE HEADINGS SHALL NOT IN ANY MANNER MODIFY OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THIS POLICY. DEFINED TERMS APPEAR IN BOLD FONT.

Subject to and contingent upon the Named Insured's payment in full of the premium when due and any applicable deductible and in reliance upon the truth, accuracy, and completeness of the statements in the insurance application and any materials submitted in connection therewith or prior thereto, and subject to all terms, conditions, limitations, and exclusions of this Policy, the Company agrees with the Named Insured to the following:

I. COVERAGE GRANTS

ONLY THOSE SPECIFIC COVERAGES INDICATED ON THE DECLARATIONS AS PURCHASED BY THE NAMED INSURED ARE APPLICABLE.

A. REMEDIATION EXPENSES

To pay on behalf of the Insured:

Coverage A.1 - Onsite Pollution

1. **Remediation Expenses** incurred exclusively for remediation of **Pollutants** that are on or under a **Covered Property**, provided such **Remediation Expenses** arise from **Onsite Pollution** and result from:
 - a. **Pre-Existing Conditions**, or
 - b. **New Conditions**.

Coverage A.2—Offsite Pollution

2. Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property, provided such Remediation Expenses arise from Offsite Pollution and result from:
 - a. Pre-Existing Conditions, or
 - b. New Conditions.
3. Coverage under Section I.A.1 and A.2 shall apply only if:
 - a. (i) The Pollution Incident is first discovered by the Insured during the Policy Period. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident; (ii) the Insured reports the Pollution Incident to the Company, in writing, during the Policy Period; and (iii) the Pollution Incident is promptly reported by the Insured to the appropriate governmental authority as required by Environmental Laws; or
 - b. The Insured becomes legally obligated to pay such Remediation Expenses as a result of a Claim, and the Claim is first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.

B. EMERGENCY RESPONSE EXPENSES

To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment. The Emergency Response Expenses must: (i) arise from a Pollution Incident that first commenced during the Policy Period; (ii) be incurred within seven (7) days of the commencement of such Pollution Incident; and (iii) be reported to the Company within fourteen (14) days of the commencement of such Pollution Incident. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.

C. THIRD-PARTY CLAIMS

To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury or Property Damage arising from:

Coverage C.1—Onsite Pollution

1. Onsite Pollution resulting from:
 - a. Pre-Existing Conditions, or
 - b. New Conditions,

if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.

Coverage C.2—Offsite Pollution

2. Offsite Pollution resulting from:
 - a. Pre-Existing Conditions, or
 - b. New Conditions,if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is beyond the boundaries of the Covered Property.
3. Coverage under I.C.1 and C.2 shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable. Further, there shall be no coverage for Remediation Expenses or Emergency Response Expenses under I.C.1 and C.2.

D. TRANSPORTATION

To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses resulting from:

1. Pre-Existing Conditions, or
2. New Conditions,

which Pre-Existing Conditions or New Conditions arise from Transportation, provided such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.

E. WASTE DISPOSAL ACTIVITIES

To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses that arise from a Pollution Incident resulting from Waste Disposal Activities. The Waste Disposal Activities must take place on or after the Waste Disposal Retroactive Date set forth in Item 10. of the Declarations, or the date that the Insured first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.

F. BUSINESS INTERRUPTION

To pay the Insured's Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly results from Onsite Pollution resulting from:

1. Pre-Existing Conditions; or
2. New Conditions.

This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the Period of Interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident.

II. DEFENSE

The Company has the right and duty to defend, including the right to select and appoint counsel to represent, the Insured against any Claim, even if groundless, false or fraudulent, to which this Policy applies. However, the Company has no duty to defend the Insured against any Claim to which this Policy does not apply. The Company shall not be obligated to commence or continue to investigate, defend, pay or settle any Claim after the applicable Limit of Liability described in Section VI. has been exhausted. Upon the Insured's satisfaction of any applicable deductible amounts, Legal Costs shall reduce the Limits of Liability shown in Item 5. of the Declarations. With respect to any such Claim being defended by the Company, the Company shall pay all reasonable expenses incurred by the Insured at the Company's request to assist it in the investigation or defense of the Claim, including actual loss of earnings up to \$750 a day because of time off from work subject to an aggregate limit of \$7,500 for all such expenses.

The Insured shall not admit or assume liability or settle or negotiate to settle any Claim without the prior written consent of the Company. The Insured must notify the Company of all settlement offers and the Company will in turn present all settlement offers to the Insured. If the Company recommends a monetary settlement which is acceptable to a claimant and is within the Limits of Liability and the Insured refuses to consent to such settlement, then the Company's duty to defend shall end, the Insured shall thereafter negotiate and defend such Claim independently of the Company, and the Company's liability shall not exceed the amount, less the Deductible, for which the Claim could have been settled if such recommendation was consented to.

To the extent the Insured is entitled pursuant to applicable laws to select independent counsel at the Company's expense, the attorneys' fees and other costs or expenses the Company will pay are limited to the rates the Company would pay to counsel the Company would have retained or could otherwise have retained in the community where the Claim is being defended. Such independent counsel must also meet any reasonable requirements, experience, or qualifications standards that the Company may deem appropriate. All such counsel shall keep the Company fully informed and shall promptly respond to requests for information from the Company.

III. EXCLUSIONS - ALL COVERAGES

This Policy does not insure and none of the coverages provided by this Policy apply to Loss, Business Interruption Expenses or Extra Expenses arising out of or in any way relating to any of the following:

A. ASBESTOS AND LEAD-BASED PAINT

Any asbestos, asbestos containing materials or lead-based paint in, on, or applied to any building or other structure. This exclusion does not apply to Coverage C. (Third-Party Claims), or to Remediation Expenses for the remediation of soil, surface water or groundwater.

However, this exclusion shall not apply to Remediation Expenses within any structures, provided that such Remediation Expenses are the direct result of a Pollution Incident which commences during the Policy Period and arises from explosion, fire, lightning, Flood or windstorm damage, provided that such Pollution Incident is reported to the Company within fourteen (14) days of its commencement. Subject to Section VI. LIMITS OF LIABILITY AND DEDUCTIBLE, Paragraphs A through D, the most the Company will pay for Remediation Expenses, regardless of the number of Insureds, Covered Properties, Pollution Incidents, Claims or claimants, pursuant to the exception contained in this Paragraph shall not exceed \$100,000.

B. CONTRACTUAL LIABILITY

Any liability assumed by an Insured through or by contract or agreement. This exclusion does not apply to liability that the Insured would have had in the absence of the contract or agreement or to liability assumed in an Insured Contract.

C. CRIMINAL PUNISHMENTS

Any criminal fines, criminal penalties or criminal assessments.

D. EMPLOYER LIABILITY

Any Bodily Injury to:

1. An Insured, or an employee of an Insured or its parent, subsidiary or affiliate while engaged in employment by the Insured or its parent, subsidiary or affiliate; or
2. Any person whose right to assert a Claim against the Insured arises by reason of any employment, blood, marital, or any other relationship with the Insured or its parent, subsidiary or affiliate.

This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of such Bodily Injury.

E. INSURED'S INTERNAL EXPENSES

Any costs, charges or expenses incurred by the Insured for goods supplied or services performed by the staff or salaried employees of the Insured, or its parent, subsidiary or affiliate, unless such costs, charges or expenses are incurred with the prior written approval of the Company, which it may grant or withhold in its sole discretion.

F. INSURED'S NON-COMPLIANCE

Any Pollution Incidents or Remediation Expenses that result from or are associated with a Responsible Insured's intentional disregard of, or deliberate, knowing, willful or dishonest non-compliance with any Environmental Law, including but not limited to the failure to comply with any regulation applicable to air emissions or effluent discharges, or any other statute, regulation, ordinance, order, administrative complaint, notice of violation, notice letter, or instruction by or on behalf of any governmental agency or representative or other federal, state, local or other applicable legal requirement.

However, this exclusion shall not apply to non-compliance based upon:

1. The Insured's good faith reliance upon written advice of qualified counsel received in advance of such non-compliance; or
2. An Insured's reasonable efforts to mitigate a Pollution Incident that necessitates immediate action, provided that such Pollution Incident is reported to the Company within fourteen (14) days of its commencement.

G. INSURED VS INSURED

Any Claim by or on behalf of any Insured against any other Insured.

H. MATERIAL CHANGE IN USE

A material change in use at any Covered Property. A material change in use shall mean any use different from the use identified in Item 8. of the Declarations. This exclusion shall not apply if the Insured submits prior written notice no less than thirty (30) days prior to such material change, and the Company approves such material change in an endorsement to this Policy issued within thirty (30) days of such notice. The Company is under no obligation to approve any such change in use, but may do so, in its sole discretion, dependent upon such terms and conditions (including but not limited to the payment of additional premium) as the Company may impose. If the Company approves the material change in use, the Insured shall agree to any changes to the terms and conditions to this Policy and pay any additional premium as the Company may require prior to the endorsement of such material change.

I. NON-DISCLOSURE

Any Pollution Incident:

1. Which is known by a Responsible Insured prior to the Inception Date and not specifically disclosed in writing in the application for this Policy; or
2. On, under or migrating from a Covered Property which is known by a Responsible Insured and not specifically disclosed to the Company in writing prior to the Company's addition of such Covered Property by endorsement to this Policy.

J. NUCLEAR AND RADIOLOGICAL MATERIAL – INTENTIONAL OR UNLAWFUL RELEASE

Any nuclear or radiological materials of any nature or any of their by-products which are intentionally or unlawfully dispersed or released by any person, including but not limited to the dispersal or release by use of an explosive device.

K. PROPERTY DAMAGE TO CONVEYANCES

Any Property Damage to any truck, rail car, trailer, rolling stock, intermodal container, shipping container, container, aircraft, vessel, engine, or any other conveyance of any nature utilized during Transportation. This exclusion does not apply to Claims made by third-party carriers of the Insured for such Property Damage arising from the Insured's negligence.

L. UNDERGROUND STORAGE TANKS

Any Underground Storage Tank which is: (i) known to a Responsible Insured as of either the Inception Date or, for properties added to the Policy during the Policy Period, the date on which the property first becomes covered under this Policy; or (ii) installed during the Policy Period.

This exclusion does not apply to any Underground Storage Tank which has been:

1. Closed or abandoned in place in accordance with all applicable Environmental Laws prior to the Inception Date;
2. Removed prior to the Inception Date; or
3. Scheduled to this Policy by endorsement.

M. WAR

Any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities, whether war be declared or not, civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

N. WORKERS COMPENSATION, UNEMPLOYMENT, SOCIAL SECURITY, DISABILITY AND SIMILAR LAWS

Any obligation pursuant to any worker's compensation, unemployment insurance, social security, disability benefits or any similar or related laws.

IV. CLAIMS AND NOTICE PROVISIONS

As a condition precedent to any coverage provided by this Policy, the Insured must do each and all of the following:

- A.** Without limiting the requirements in any insuring agreements in this Policy, in the event of any **Pollution Incident, Claim, Remediation Expenses, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**, the Insured shall provide notice thereof as soon as practicable to the Company's address set forth in the Declarations or (as such address may hereinafter be modified by the Company in writing). In addition, the Insured shall provide notice as soon as practicable to the Company's address set forth in the Declarations of any events or circumstances that may reasonably be expected to give rise to a **Pollution Incident, Claim, Remediation Expenses, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**. All such notice shall include detailed information pertaining to:
1. The appropriate person to contact regarding the **Pollution Incident, Claim, Remediation Expenses, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**;
 2. The location of and a description of the **Pollution Incident**;
 3. A description of the **Pollution Incident, Claim, Remediation Expenses, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**, as applicable;
 4. Any response actions taken by the Insured relating to the **Claim** or **Pollution Incident**; and
 5. Any other pertinent information in the Insured's possession or control concerning any actual or potential **Pollution Incident, Claim, Remediation Expenses, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**.
- B.** In the event that **Emergency Response Expenses** are incurred, the Insured must provide, in writing, all available information relating to such **Emergency Response Expenses** and the **Pollution Incident** giving rise thereto to the Company within fourteen (14) days of commencement of the **Pollution Incident**. Such information shall include all applicable information detailed in Paragraph A. of this Section.
- C.** Without limiting the requirements in any insuring agreements in this Policy, the Insured shall provide notice as soon as practicable of any **Claim**, but, in any event, during the **Policy Period**, or **Extended Reporting Period**, if applicable. The Insured shall furnish all information requested by the Company, including, but not limited to, the following information as soon as practicable after the receipt by the Insured or the Insured's representative or agent:
1. Copies of any demands, notices, summonses, or legal papers received by the Insured;
 2. All correspondence between the Insured and any third party claimants;
 3. All reports, notes or other documents prepared by persons hired by the Insured to investigate the **Claim**;
 4. All expert reports, investigations and data collected by experts retained by the Insured whether or not the Insured intends to use the material for any purpose; and
 5. All other information which the Company may require concerning the **Claim** whether or not the Insured deems such to be relevant to the **Claim**.

V. RIGHTS OF THE COMPANY AND DUTIES OF THE INSURED IN THE EVENT OF POLLUTION INCIDENT

A. THE COMPANY'S RIGHTS

The Company shall have the right, but not the duty, to assume direct control over the incurrence of **Remediation Expenses** or **Emergency Response Expenses** and to participate in decisions regarding any covered **Remediation Expenses** or **Emergency Response Expenses** upon receiving notice as provided in Section IV. of this Policy. Any **Remediation Expenses** or **Emergency Response Expenses** expended by the Company in taking such action will be deemed incurred or expended by the **Insured** and shall be applied against the Limits of Liability and deductible under this Policy as described in Section VI.

B. THE INSURED'S DUTIES

The **Named Insured** shall have the duty to clean up the **Pollution Incident** to the extent required by **Environmental Laws**, by retaining, under written contract, competent professionals or contractors mutually acceptable to the Company and the **Named Insured**. The Company retains the right but not the obligation to review and approve all bids and contracts prior to issuance or execution. The Company shall be informed of all progress at reasonable intervals and shall have the right but not the duty to review and approve all aspects of any such clean up prior to submittal to any regulatory agency that is authorized to review and approve such clean up submittals. The **Named Insured** shall notify the Company of actions and measures taken pursuant to this Paragraph prior to the execution of those actions and measures, unless such notice is not possible under the circumstances because actions or measures constitute **Emergency Response Expenses** or **Environmental Laws** require immediate remediation of the **Pollution Incident**.

It is a condition precedent to coverage that the **Insured** shall make all reasonable attempts to mitigate and minimize any **Loss**, **Business Interruption Expenses**, **Extra Expenses** and **Pollution Incidents** upon discovery of a **Pollution Incident**.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Without regard to the number of **Insureds**, **Covered Properties**, **Pollution Incidents**, **Claims** or claimants, the following limits of liability apply:

A. POLICY AGGREGATE LIMIT OF LIABILITY

The most the Company will pay for all **Loss**, **Business Interruption Expenses** and **Extra Expenses** covered under this Policy shall not exceed the Policy Aggregate Limit of Liability set forth in Item 4. of the Declarations.

B. COVERAGE SECTION AGGREGATE LIMIT OF LIABILITY

Subject to Paragraph A. above, the most the Company will pay for all **Loss** covered under each particular coverage section indicated as purchased in the Declarations shall not exceed the Coverage Section Aggregate Limit of Liability applicable to that particular coverage section.

Subject to Paragraph A. above, the most the Company will pay for all **Business Interruption Expenses** and **Extra Expenses** covered under Coverage F. shall be the lesser of:

1. The **Business Interruption Expenses** and **Extra Expenses** incurred during the number of days set forth in Item 5. for Coverage F. of the Declarations; and
2. The dollar amount set forth in Item 5. for Coverage F. of the Declarations.

C. EACH INCIDENT LIMIT OF LIABILITY

Subject to Paragraphs A. and B. above, for each Coverage under this policy, the most the Company will pay for all **Loss** arising out of the same, related or continuous **Pollution Incident(s)** is the Each Incident Limit of Liability applicable to such coverage set forth in Item 5. of the Declarations.

D. DEDUCTIBLE

Subject to Paragraphs A., B., and C. above, the Company will pay all **Loss** in excess of the applicable deductible amount set forth in Item 5. of the Declarations. The deductible is the obligation of the **Named Insured** and applies to all **Loss** arising out of the same, related or continuous **Pollution Incident(s)**.

Subject to Paragraphs A. and B. above, the Company will pay all **Business Interruption Expenses** and **Extra Expenses** in excess of the **Business Interruption Expenses** and **Extra Expenses** incurred after expiration of the number of days in a **Period of Interruption** stated as the **Deductible (Days)** in Item 5. of the Declarations.

The Company may, but is under no obligation to, advance amounts for **Loss, Business Interruption Expenses** and **Extra Expenses** within the deductible. The **Named Insured** shall promptly reimburse the Company for advancing any such amounts within the deductible upon the Company's request.

E. MULTIPLE COVERAGES OR DEDUCTIBLES

If the same, related or continuous **Pollution Incident(s)** result in coverage under more than one coverage section, the most the Company shall pay for all **Loss, Business Interruption Expenses** and **Extra Expenses** arising from such **Pollution Incident(s)** shall not exceed the highest Each Incident Limit of Liability, or the Coverage Section Aggregate solely with regard to Coverage F., stated in Item 5. of the Declarations among all of the coverages applicable to the **Loss, Business Interruption Expenses** or **Extra Expenses**.

Furthermore, if more than one deductible is applicable to coverage, only the highest deductible applicable pursuant to Paragraph D. of this Section applicable to the **Loss, Business Interruption Expenses** or **Extra Expenses** shall apply.

F. MULTIPLE POLICY PERIODS

If:

1. A **Pollution Incident** is first discovered by the **Insured** and reported to the Company during the **Policy Period**, and a related or continuous **Pollution Incident** is first discovered by the **Insured** and reported to the Company; or
2. A **Claim** is first made against the **Insured** and reported to the Company during the **Policy Period**, and a **Claim** arising from the same, related or continuous **Pollution Incident** is first made against the **Insured** and reported to the Company;

during the policy period of a subsequent policy issued by the Company to the **Insured** in accordance with all the terms and conditions of that policy, then:

- a. All such **Pollution Incidents** shall be deemed to be one **Pollution Incident** and to have been first discovered by the **Insured** and reported to the Company during this **Policy Period**, and shall be subject to the applicable Each Incident Limit of Liability or the Coverage F. Limit of Liability, and the Deductible thereunder, as the case may be, set forth in Item 5. of the Declarations; and
- b. All such **Claims** shall be deemed to have been first made against the **Insured** and reported to the Company during this **Policy Period** and to arise from one **Pollution Incident**, and shall be subject to the applicable Each Incident Limit of Liability and Deductible set forth in Item 5. of the Declarations.

Paragraph F. of this Section applies only if the **Insured** has maintained Site Pollution Incident Legal Liability Select coverage with the Company on a continuous, uninterrupted basis since (i) the first such **Pollution Incident** was discovered by the **Insured** and reported to the Company, or (ii) the first such **Claim** was made against the **Insured** and reported to the Company, providing coverage substantially the same as that provided by the applicable Coverage Part of this policy for (i) **Pollution Incidents** first discovered by the **Insured** and reported to the Company during the policy period, or (ii) **Claims** first made against the **Insured** and reported to the Company during the policy period.

VII. CONDITIONS

A. ACTION AGAINST COMPANY

No action brought by any organization or entity, other than an **Insured**, shall lie against the Company unless, as a condition precedent thereto, the **Insured** has fully complied with all of the terms and conditions of this Policy and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or entity or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy to the Insured at issue and subject to the terms, conditions, exclusions and limitations of the Policy. No person or entity shall have any right under this Policy to join the Company as a party to any action against the Insured to determine the Insured's liability, nor shall the Company be impleaded by the Insured or its legal representative.

B. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Company unless and until its consent is endorsed hereto, which consent shall not be unreasonably denied.

C. AUDIT AND INSPECTION

The Company shall be permitted, but not required, upon reasonable prior notice to inspect, sample and/or monitor any Covered Property and operations conducted thereon. Neither this right to make inspections, sample and/or monitor, nor the actual undertaking thereof, nor any report thereon shall constitute an undertaking on behalf of the Insured or others to determine or warrant that a Covered Property or operation is legal, appropriate, safe, healthful or conforms to any standard or requirement or is in compliance with any Environmental Law or other law. The Company will not manage or exercise control over any Covered Property or operation. The Company shall also have the right to interview persons employed by or affiliated with the Insured.

D. BANKRUPTCY

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of its obligations hereunder.

E. CANCELLATION

This Policy may be cancelled by the Named Insured by surrendering it to the Company or by mailing to the Company written notice stating when thereafter cancellation shall be effective.

The Policy may be cancelled by the Company by mailing to the Named Insured at its address set forth in the Declarations, a notice stating when, not less than ninety (90) days (or ten (10) days for nonpayment of premium) thereafter such cancellation shall be effective. The Company may cancel this Policy for only the following reasons:

1. Fraud or misrepresentation;
2. Any Insured's failure to comply with the terms, conditions or contractual obligations under this Policy including failure to pay the deductible when due; or
3. Nonpayment of premium when due.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Actual delivery of such written notice either by the Named Insured or by the Company shall be equivalent to mailing.

If the Named Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure after applying the minimum earned premium amount set forth in Item 7. of the Declarations. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be either at the time of cancellation is affected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition precedent to the effectiveness of cancellation.

F. CHANGES

Notice to or knowledge possessed by any person or entity shall not effect waiver or change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, except as provided by endorsement issued by the Company attached to this Policy. No agent or broker has any authority to change or modify this Policy, waive any of its provisions, or issue any endorsements.

G. CHOICE OF FORUM

In the event that the Insured and the Company have any dispute concerning or relating to this Policy, including its formation, coverage provided hereunder, or the meaning, interpretation or operation of any term, condition, definition or provision of this Policy resulting in litigation, arbitration or other form of dispute resolution, the Insured agrees with the Company that any such litigation and any arbitration or other form of dispute resolution shall take place in the appropriate federal or state courts located in New York, New York.

H. CHOICE OF LAW

In the event that the Insured and the Company have any dispute concerning or relating to this Policy, including its formation, coverage provided hereunder, or the meaning, interpretation or operation of any term, condition, definition or provision of this Policy resulting in litigation, arbitration or other form of dispute resolution, the Insured agrees with the Company that the internal laws of the State of New York shall apply without giving effect to any conflicts or choice of law principles. The terms and conditions of this Policy shall not be deemed to constitute a contract of adhesion and shall not be construed in favor of or against any party hereto by reason or authorship or otherwise.

I. CONDITION OF PAYMENT

It is hereby agreed that any payment under this Policy shall only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

J. COOPERATION

The Insured agrees with the Company to assist and cooperate in the fulfillment of the terms of the Policy, including the investigation, adjustment, defense or settlement of any Claim or in connection with the clean-up and mitigation of a Pollution Incident. Such cooperation may also include participating in meetings; requiring the Insured to submit to examination under oath; testifying at hearings, depositions and trials; or securing evidence. The Company may also require written statements or the Insured's attendance at meetings with the Company in the course of its investigation or defense. The Insured must assist the Company in effecting settlement and obtaining the attendance of witnesses. Further, the Insured must assist the Company in the pursuit of any coverage that may be available from other insurers or insurance policies for any amounts which also may be covered under this Policy. In addition, the Insured shall, to the extent feasible, permit and assist the Company and its representatives in interviewing persons and collecting documents and in viewing, inspecting, or reviewing at any time the Covered Property, any other property, or any documents related in any manner to this Policy, any Claims or Loss, or any coverage provided hereunder. No such inspection or review shall impose any liability, responsibility, or obligation on the Company of any nature. The Insured shall take any other actions to assist the Company as the Company may request from time to time.

K. ENFORCEABILITY

If any part of this policy is deemed invalid or unenforceable, it shall not affect the validity or enforceability of any other part of this policy, which shall be enforced to the full extent permitted by law.

L. HEADINGS

The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.

M. INDEPENDENT COUNSEL

In the event the Insured is entitled by law to select independent counsel to oversee the Company's defense of a Claim at the Company's expense, the attorney fees and all other litigation expenses the Company must pay to that counsel are limited to the rates the Company actually pays to counsel the Company retains in the ordinary course of business in the defense of similar Claims or suits in the community where the Claim arose or is being defended.

Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending Claims or suits similar to the one pending against the Insured and to require such counsel have errors and omissions insurance coverage. As respects any such counsel, the Insured agrees that counsel will timely respond to our request for information regarding the Claims or suit.

Furthermore, the Insured may at any time, by the Insured's written consent, freely and fully waive these rights to select independent counsel.

N. OTHER INSURANCE

If other valid and collectible insurance is available to the Insured for Claims, Emergency Response Expenses, Pollution Incidents, Loss, Remediation Expenses, Legal Costs, Business Interruption Expenses or Extra Expenses, the Company's obligations are limited as follows:

1. With the exception of Paragraph 4. below, this insurance is primary except when any other insurance is also primary. In that case, the Company will share with all the other insurance by the method described in Paragraph 2. below.
2. If the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the Loss, Business Interruption Expenses or Extra Expenses payable under this Policy remains, whichever comes first.
3. If the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
4. Solely with respect to Claims, Emergency Response Expenses, Pollution Incidents, Loss, Remediation Expenses, Legal Costs, Business Interruption Expenses or Extra Expenses arising in whole or part from Mold Matter or Legionella, this insurance is excess of any valid and collectible insurance, whether such insurance is primary, excess, contingent or on any other basis. Where this insurance is excess insurance, the Company will only pay its share of the amount of Loss, Business Interruption Expenses or Extra Expenses arising in whole or part from Mold Matter or Legionella, if any, that exceeds the total amount of such other insurance.

O. POLICY TERRITORY

This Policy and any coverage provided hereunder is only applicable to Pollution Incidents occurring in the United States, its territories and possessions.

P. REPRESENTATIONS

By accepting this Policy, the Named Insured agrees:

1. The statements in the Declarations and Application are true, accurate and complete in all respects and contain no material omissions;
2. Those statements are the Named Insured's agreements and representations; and
3. The Company has issued this Policy in reliance upon those statements and these representations.

Further, the Named Insured agrees that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

Q. SEPARATION OF INSUREDS

Except with respect to the Limits of Liability, Section III. EXCLUSIONS, Paragraphs G. INSURED VS INSURED and I. NON-DISCLOSURE and any rights and duties specifically assigned to the first Named Insured set forth in Item 1. of the Declarations, this insurance applies:

1. As if each Insured were the only Insured; and
2. Separately to each Insured against whom a Claim is made.

Misrepresentation, concealment, breach of condition or violation of any duty under this Policy by one Insured shall not prejudice the interest or coverage for another Insured who did not participate or assist in such misrepresentation, concealment, breach of condition or violation of duty, except where an Insured is a parent, subsidiary or affiliate of the Insured that misrepresented, concealed or breached a term or condition of or violated a duty under this Policy or participated or assisted therein.

R. SERVICE OF SUIT

Subject to and without waiving the forum selection clause in Section VII., Paragraph G. of this Policy, it is agreed that in the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon the Company, and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

S. SOLE AGENT

The Named Insured first identified in Item 1. of the Declarations is responsible for payment of all premiums and deductibles, and will act as the sole agent on behalf of all Insureds with respect to provision and receipt of notice(s), including notice of cancellation or non-renewal, receipt and acceptance of any endorsement(s) or any other changes to this Policy, return of any premium, assignment of interest under this Policy, as well as exercise of any applicable Extended Reporting Period, unless any such responsibilities are otherwise designated by endorsement.

T. SUBROGATION

In the event of any payment under this Policy, the Company shall be subrogated to all of an Insured's rights of recovery against any person or entity, including without limitation any rights to contribution from another insurer. An Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure and perfect such rights. No Insured shall do anything to impair, reduce, impede, prejudice, curtail or waive such rights. Any recovery obtained through subrogation, after expenses incurred in such subrogation are deducted by the Company, shall be applied first to the Insured to the extent of any payments in excess of the limit of coverage, if any; then to the Company to the extent of its payment under the Policy; and then to the Insured to the extent of its deductible.

U. VOLUNTARY PAYMENTS AND ADMISSION OF LIABILITY

No Insured shall admit liability, settle or attempt to settle or otherwise dispose of any Claim, waive or extend any statute of limitation or statute of repose or the accrual thereof, or, except at the Insured's own cost, voluntarily make any payment, assume any obligation, or incur any expense without the Company's prior written consent.

This Condition shall not apply if such payment or obligation is an Emergency Response Expense or is pursuant to Environmental Laws that require immediate remediation of a Pollution Incident.

VIII. EXTENDED REPORTING PERIOD

A. AUTOMATIC EXTENDED REPORTING PERIOD

The **Named Insured** shall be entitled to an **Automatic Extended Reporting Period** for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This **Automatic Extended Reporting Period** shall not apply where:

1. The **Named Insured** has purchased the **Optional Extended Reporting Period** available under paragraph B. below;
2. The Policy is terminated for fraud or non-payment of premium; or
3. The **Insured** has purchased other insurance to replace the insurance provided under this Policy.

The **Automatic Extended Reporting Period** shall apply as follows:

1. A **Claim** first made against the **Insured** during the **Policy Period** and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the **Policy Period**, provided that the **Claim** is otherwise covered under this Policy.
2. A **Claim** first made against the **Insured** and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the **Policy Period**, provided such **Claim** arises from a **Pollution Incident** which commenced prior to such termination and is otherwise covered under this Policy.

B. OPTIONAL EXTENDED REPORTING PERIOD

The **Named Insured** shall be entitled (except if this Policy is terminated for fraud or the non-payment of premium) to purchase an **Optional Extended Reporting Period** upon termination of this Policy subject to the following terms and conditions:

1. The **Named Insured** shall be entitled to purchase an **Optional Extended Reporting Period** of up to forty-eight (48) months beginning on the effective date of termination of this Policy for an additional premium of not more than 200% of the total Policy premium, provided that the **Named Insured** requests such **Optional Extended Reporting Period** in writing within thirty (30) days of the effective date of termination of this Policy;
2. Once the **Named Insured** has paid the additional premium, the **Optional Extended Reporting Period** may not be cancelled by the Company, and such premium shall be fully earned; and
3. The **Optional Extended Reporting Period** shall apply only to **Claims** first made against the **Insured** and reported to the Company during the **Optional Extended Reporting Period**, but only if such **Claims** arise from a **Pollution Incident** which commenced prior to termination of this Policy and are otherwise covered by this Policy.

It is a condition precedent to the coverage provided in this paragraph B. that the **Named Insured** pay any additional premium within thirty (30) days of such termination.

Neither the **Automatic Extended Reporting Period** nor the **Optional Extended Reporting Period** shall modify, reinstate or increase the limits of liability of this Policy, and any payment made during the **Automatic Extended Reporting Period** or the **Optional Extended Reporting Period** shall reduce the available limits of liability.

IX. DEFINITIONS

- A. **Bodily Injury** means physical injury, sickness, disease, building-related illness, mental anguish, shock or emotional distress, sustained by any person, including death resulting therefrom. **Bodily Injury** shall also include medical monitoring costs.
- B. **Business Interruption Expenses** means:
 1. Net profit or loss, including **Rental Value**, before taxes that would have been earned or incurred by the **Insured** during the **Period of Interruption**; and

2. Continuing normal operating expenses incurred by the Insured during the Period of Interruption, including payroll expense for employees of the Insured, except employees under contract, officers, executives, and department managers,

due to the reasonable and necessary interruption of the Insured's operations at a Covered Property during the Period of Interruption.

If the Insured would have incurred a net loss under Paragraph B.1. above, such net loss shall reduce the operating expenses recoverable under Paragraph B.2. above. Further, if the Insured could reduce the Business Interruption Expenses resulting from a Period of Interruption by complete or partial resumption of operations, or by making use of other property at the Covered Property, such reductions shall be taken into account in arriving at the amount of Business Interruption Expenses, as will the financial performance of the business before the Period of Interruption and the projected financial performance thereafter had no Period of Interruption occurred.

- C. **Cargo** means goods, products or waste transported for delivery by a carrier properly licensed to transport such goods, products or waste.
- D. **Claim** means a demand, notice or assertion of a legal right alleging liability or responsibility on the part of the Insured.
- E. **Conveyance** means any auto, railcar, rolling stock, train, watercraft or aircraft. Conveyance shall not include pipelines.
- F. **Covered Property** means those locations specifically scheduled to Item 9. of the Declarations, or any other location specifically endorsed to the Policy as a Covered Property.
- G. **Emergency Response Expenses** means reasonable and necessary costs, charges and expenses, including Legal Costs, incurred in response to an imminent and substantial threat to human health or the environment and incurred within seven (7) days of the commencement of the Pollution Incident giving rise to such costs, charges and expenses to investigate, remove, dispose of, abate, contain, treat or test soil, surface water, groundwater or other contaminated media.

Emergency Response Expenses shall not include Bodily Injury or Property Damage.

- H. **Environmental Laws** means any federal, state, provincial, municipal or local laws, including, but not limited to, statutes, rules, ordinances, guidance documents, regulations and all amendments thereto, including state voluntary cleanup or risk based corrective action guidance, and governmental, judicial or administrative orders and directives that are applicable to a Pollution Incident.
- I. **Environmental Professional** means an individual approved and designated by the Company in writing who is duly certified or licensed in a recognized field of environmental science as required by a state board, a professional association, or both, who meet certain minimum qualifications and who maintain specified levels of errors and omissions insurance coverage acceptable to the Company. The Company shall consult with the Insured in conjunction with the selection of the Environmental Professional.
- J. **Extended Reporting Period** means the Automatic Extended Reporting Period or, if applicable, the Optional Extended Reporting Period of this Policy as set forth in Section VIII. of the Policy.
- K. **Extra Expenses** means reasonable and necessary expenses incurred by the Insured, over and above the Insured's continuing normal operating expenses, during the Period of Interruption, that the Insured would not have incurred had there been no Onsite Pollution discovered at the Covered Property, provided that the expenses are incurred solely to avoid or minimize the interruption of business and to continue operations:
1. At the Covered Property; or
 2. At replacement or temporary location(s), including:
 - a. Relocation expenses; and
 - b. Cost to equip and operate the replacement or temporary location(s).

Extra Expenses will be reduced by any salvage or other value of property obtained for temporary or other use during the Period of Interruption that remains after the resumption of normal operations.

- L. **Flood** means a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is the Insured's property) from:
1. Overflow of inland or tidal waters;
 2. Unusual and rapid accumulation or runoff of surface waters from any source;
 3. Mudflow; or
 4. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.
- M. **Inception Date** means the applicable date set forth in Item 3. of the Declarations.
- N. **Insured** means a **Named Insured**, and any past or present director, officer, partner, member, employee, temporary worker or leased worker of the **Named Insured**.
- O. **Insured Contract** means those contracts or agreements, if any, listed on a Schedule of Insured Contracts endorsed to this Policy.
- P. **Legal Costs** means attorneys' fees and other costs, charges and expenses incurred in the investigation, adjustment, defense, or settlement of any **Claim for Loss**, or in connection with the payment of any **Remediation Expenses**. **Legal Costs** include the fees and expenses of consultants, expert witnesses, accountants, court reporters, and other vendors, for goods or services in connection with such investigation, adjustment, defense, or settlement, whether incurred by the **Insured**, defense counsel, or the Company.
- Q. **Legionella** means legionella pneumophila.
- R. **Loss** means:
1. A monetary judgment, award or settlement of compensatory damages arising from **Bodily Injury** or **Property Damage**;
 2. Punitive, exemplary or multiplied damages, and civil fines, penalties and assessments to the extent any of the foregoing is insurable under applicable law, arising from **Bodily Injury** or **Property Damage**;
 3. **Legal Costs**;
 4. **Remediation Expenses**; and
 5. **Emergency Response Expenses**.
- S. **Mold Matter** means mold, mildew and fungi, whether or not such **Mold Matter** is living.
- T. **Named Insured** means:
1. The person or entity identified in Item 1. of the Declarations;
 2. Any business entity in which the person or entity listed in Item 1. of the Declarations has an ownership interest of 50% or more during the **Policy Period**; and
 3. Any other person or entity listed as a **Named Insured** by endorsement to this Policy.
- U. **Natural Resource Damage** means the physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any State, Local or Provincial government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction on alienation, any member of a Native American tribe.
- V. **New Conditions** means **Pollution Incidents** which first commence, in their entirety, on or after the date set forth in Item 11. of the Declarations.

W. Non-Owned Disposal Sites means transfer, storage, treatment or disposal facilities which are utilized by the **Insured** for the transfer, storage, treatment or disposal of waste materials, which facilities are not owned, operated or rented by the **Insured**, provided that:

1. The waste materials first originate from a **Covered Property**;
2. The transfer, storage, treatment or disposal facility is properly licensed and permitted by the appropriate federal, state or local authority to accept such waste materials as of the date of the transfer, storage, treatment or disposal of such waste materials; and
3. The transfer, storage or disposal facility is not listed on a proposed or final Federal National Priorities List (Superfund), or any equivalent state or local list as of the earlier of: a) the **Inception Date**; or b) the inception date of the first Site Pollution Incident Legal Liability Select policy issued by the Company to the **Insured** of which this is a continuous and uninterrupted renewal.

X. Offsite Pollution means a **Pollution Incident** that has migrated from a **Covered Property** to a location beyond its boundaries. **Offsite Pollution** does not include any **Onsite Pollution**.

Y. Onsite Pollution means a **Pollution Incident** on or under the **Covered Property**. **Onsite Pollution** does not include any **Offsite Pollution**.

Z. Period of Interruption means the period of time that begins with the interruption of the **Insured's** operations at a **Covered Property** due to a **Pollution Incident** and ends on the earliest of (1) when the **Covered Property** is reasonably restored to operations, (2) when the **Covered Property** should have been restored to operations with reasonable speed and quality, or (3) when business activities resume at a new permanent location. The expiration date of this policy will not reduce the **Period of Interruption**. **Period of Interruption** shall not include any period of time prior to the commencement of normal operations at a **Covered Property**, including but not limited to a delay in the opening of or a delay in the completion of construction at a **Covered Property**. Notwithstanding anything above to the contrary, the **Period of Interruption** shall end on the date that the **Pollution Incident** giving rise to the **Period of Interruption** has been remediated to the extent that the **Insured** can reasonably resume their normal operations; and the **Period of Interruption** shall end on such date even if such resumption of operations is not possible due to any other cause(s).

AA. Policy Period means the applicable period stated in Item 3. of the Declarations. However, if this Policy is cancelled by the **Named Insured** or the Company, the **Policy Period** terminates on the effective date and time of cancellation.

BB. Pollutants means any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, including medical, infectious and pathological wastes, at levels in excess of those naturally occurring.

Pollutants includes:

1. Electromagnetic fields;
2. **Mold Matter**; and
3. **Legionella**.

CC. Pollution Incident means:

1. The presence of **Mold Matter**; and
2. The discharge, dispersal, release, escape, migration, or seepage of **Pollutants** on, in, into, or upon land, Conveyances, structures, the atmosphere, any watercourse or body of water including surface water or groundwater.

Pollution Incident includes the illicit abandonment of **Pollutants** at a **Covered Property** provided that such abandonment was committed by parties other than **Insureds** and without the knowledge of a **Responsible Insured**.

DD. Pre-Existing Conditions means **Pollution Incidents** which first commenced, in whole or part, prior to the date specified in Item 11. of the Declarations.

EE. Property Damage means:

1. Physical injury to or destruction of tangible property of parties other than the **Insured**, including the resulting loss of use of that property;
2. Loss of use of tangible property owned by parties other than the **Insured**, that is not physically injured or destroyed;
3. Diminished value of property owned by parties other than the **Insured**; and
4. **Natural Resource Damage.**

Property Damage does not include **Remediation Expenses**.

FF. Remediation Expenses means reasonable and necessary expenses, including associated **Legal Costs** incurred with the Company's prior written consent, incurred to investigate, remove, dispose of, abate, contain, treat, neutralize, monitor or test soil, surface water, groundwater or other contaminated media:

1. To the extent required by **Environmental Laws** governing the liability or responsibilities of the **Insured** to respond to a **Pollution Incident**;
2. In the absence of item 1. above, to the extent recommended in writing by an **Environmental Professional**; or
3. To the extent incurred by the government or any political subdivision of the United States of America or any state, territory or possession thereof, or by parties other than **Insureds** to the extent the **Insured** is liable for such expenses.

Remediation Expenses also include **Restoration Costs**. **Remediation Expenses** do not include **Property Damage**.

GG. Rental Value means:

1. The total anticipated rental income from tenant occupancy of the **Covered Property** as furnished and equipped by the **Insured**;
2. All charges that are the legal obligation of the tenant(s) pursuant to a lease and that would otherwise be the **Insured's** obligations, and
3. The fair rental value of any portion of the **Covered Property** that is occupied by the **Insured** during the **Period of Interruption**, less any rental income the **Insured** could earn:
 - a. By complete or partial rental of the **Covered Property**, or
 - b. By making use of other property on the **Covered Property** or elsewhere.

HH. Responsible Insured means:

1. The manager or supervisor of the **Named Insured** responsible for environmental affairs or health and safety affairs, control or compliance at a **Covered Property**;
2. The manager of a **Covered Property**; or
3. Any officer, director, risk manager or partner of the **Named Insured**.

II. Restoration Costs means reasonable and necessary costs incurred by the **Insured** with the Company's prior written consent, to repair, restore or replace damaged real or personal property damaged during work performed in the course of incurring **Remediation Expenses** in order to restore the property to the condition it was in prior to being damaged during such work. **Restoration Costs** shall not exceed the lesser of actual cash value of such real or personal property or the cost of repairing, restoring or replacing the damaged property with other property of like kind and quality. An adjustment for depreciation and physical condition shall be made in determining actual cash value. If a repair or replacement results in better than like kind or quality, the Company will not pay for the amount of the betterment, except to the extent such betterments of the damaged property entail the use of materials which are environmentally preferable to those materials which comprised the damaged property. Such environmentally preferable material must be certified as such by an applicable independent certifying body, where such certification is available, or, in the absence of such certification, based on the judgment of the Company in its sole discretion.

JJ. **Transportation** means the movement of **Cargo** by a **Conveyance** to or from a **Covered Property** by the **Insured** or a third-party carrier from the time of movement from the point of origin until delivery to the final destination.

Transportation includes the carrier's loading and unloading of **Cargo** onto or from a **Conveyance** provided that the loading or unloading is performed by or on behalf of the **Named Insured**.

KK. **Underground Storage Tank** means any tank, including any piping and appurtenances connected to the tank, located on or under a **Covered Property** that has at least ten (10) percent of its combined volume underground. **Underground Storage Tank** does not include:

1. Septic tanks, sump pumps or oil/water separators;
2. A tank that is enclosed within a basement or cellar, if the tank is upon or above the surface of the floor; or
3. Storm-water or wastewater collection systems.

LL. **Waste Disposal Activities** means the processing, treatment or disposal, or the arranging for the processing, treatment or disposal, of waste at a **Non-Owned Disposal Site**, provided that such waste first originates from a **Covered Property**.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed and attested, but this Policy will not be valid unless countersigned by a duly authorized representative of the Insurer, to the extent required by applicable law.

Ironshore Specialty Insurance Company by:



Secretary



President

Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 6: Please explain whether the general liability insurance included in Acct. Nos. 657/757 is duplicative of the liability insurance included in the overhead allocations. As part of your response, please provide a copy of the policy, including premium information, for both Tamiami and Hudson.

Response: The general liability insurance in Acct. Nos. 657/757 is not duplicative of any costs included in the overhead allocations. General Liability is 100% pro-rated to the utilities, as can be seen on the attached monthly amortizations. The general liability policy summary and premium information for Tamiami and Hudson is attached, along with the proration to each utility and monthly amortization. The only insurance cost included in the overhead is workman's compensation included in Ni America Operating, LLC and D&O insurance included in Ni America Capital Management, LLC.

Prepared by: Benny Wilkinson

General Liability Insurance
Consolidated Premium
Monthly Amortization

Total Consolidated Premium

68,788.98

Prepaid Asset/Prop and Gen Liab
Hotchless

Company
ERC's (March 2014)
Amt Allocated to Company

Amortization Days
May 31 - June 30, 2 81
Jul 2014 31
Aug 2014 31
Sep 2014 30
Oct 2014 31
Nov 2014 30
Dec 2014 31
Jan 2015 31
Feb 2015 28
Mar 20, 2015 20
Mar 31, 2015 11
Apr 2015 30
May 1 -30, 2015 30
Total 365

		Shaded Lane		Brighton		Hudson		Tamiemi		Palmetto		Alpine		Woodland		PRC		Total	
		Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	
Company		198		781		3,009		787		18,515		7,826		912		11,537		48,577	
ERC's (March 2014)			312.53		1,232.77		4,749.55		1,242.24		29,224.94		12,371.87		1,439.54		18,210.54		68,788.98
Amt Allocated to Company			312.53		1,232.77		4,749.55		1,242.24		29,224.94		12,371.87		1,439.54		18,210.54		68,788.98
Amortization Days		Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	
May 31 - June 30, 2 81		26.54	285.99	104.70	1,128.07	403.39	4,346.16	105.51	1,136.73	2,482.12	26,742.82	1,050.76	11,321.11	122.26	1,217.28	1,546.65	16,663.89	5,841.93	
Jul 2014 31		26.54	259.45	104.70	1,023.37	403.39	3,942.77	105.51	1,031.22	2,482.12	24,260.70	1,050.76	10,270.35	122.26	1,195.02	1,546.65	15,117.24	5,841.93	
Aug 2014 31		26.54	232.91	104.70	918.67	403.39	3,539.38	105.51	925.71	2,482.12	21,778.58	1,050.76	9,219.59	122.26	1,072.76	1,546.65	13,570.59	5,841.93	
Sep 2014 30		25.69	207.22	101.32	817.35	390.37	3,149.01	102.10	823.61	2,402.05	19,376.53	1,015.87	8,202.72	118.32	954.44	1,496.76	12,073.83	5,653.48	
Oct 2014 31		26.54	180.68	104.70	712.65	403.39	2,745.62	105.51	718.10	2,482.12	16,894.41	1,050.76	7,151.96	122.26	832.18	1,546.65	10,527.18	5,841.93	
Nov 2014 30		25.69	154.99	101.32	611.33	390.37	2,355.25	102.10	616.00	2,402.05	14,492.36	1,016.87	6,135.09	118.32	713.86	1,496.76	9,030.42	5,653.48	
Dec 2014 31		26.54	128.45	104.70	506.63	403.39	1,951.86	105.51	510.49	2,482.12	12,010.24	1,050.76	5,084.33	122.26	591.60	1,546.65	7,483.77	5,841.93	
Jan 2015 31		26.54	101.91	104.70	401.93	403.39	1,548.47	105.51	404.98	2,482.12	9,528.12	1,050.76	4,033.57	122.26	469.34	1,546.65	5,937.12	5,841.93	
Feb 2015 28		23.97	77.94	94.57	307.36	364.35	1,184.12	95.30	309.68	2,243.94	7,286.13	949.07	3,084.50	110.43	358.61	1,396.97	4,540.13	5,276.57	
Mar 20, 2015 20		17.12	60.82	67.55	239.81	260.25	923.87	66.07	241.61	1,601.89	5,684.34	677.91	2,406.59	78.88	280.03	997.84	3,542.31	3,768.99	
Mar 31, 2015 11		9.42	51.40	37.15	202.66	143.14	780.73	57.44	184.17	890.76	4,804.69	372.83	2,033.74	43.38	236.65	548.61	2,993.50	2,072.94	
Apr 2015 30		25.69	25.71	101.32	101.34	390.37	390.38	102.10	152.07	2,468.05	2,402.04	1,016.87	1,016.87	118.32	118.33	1,496.76	1,496.74	5,653.48	
May 1 -30, 2015 30		25.71	-	101.34	-	390.36	-	102.07	-	2,402.04	-	1,016.87	-	118.33	-	1,496.74	-	5,653.46	
Total		312.53		1,232.77		4,749.55		1,242.24		29,224.94		12,371.87		1,439.54		18,210.54		68,788.98	

\$1,335.13
\$1,951.86
\$1,177.34
\$5,129.20

Check By Fax/Email Authorization



To:	Hotchkiss Insurance Agency
Attn:	Angela Henry, CIC, CISR
Fax #:	713-292-5915
From:	Ni America Operating LLC
Date:	5/28/2014
Customer #:	NIAMERI-01

Simply complete this authorization and fax back to us with a copy of your check made payable to Hotchkiss Insurance Agency. Your check must be filled out completely, including your signature, as if you were sending it to us for payment. Once received, we will issue a bank draft on your account and mail you confirmation of the transaction.

Do not send us the actual check. This should be filed with your records.

Bank Draft Authorization

I hereby authorize Hotchkiss Insurance Agency, LLC to issue and deposit a bank draft drawn on my (our) account in the amount of \$68,783.98 styled as per the attached copy of check # 1193.

Bank Name:	BANK OF AMERICA
Bank Routing Number:	[REDACTED]
Bank Account Number:	[REDACTED]
Date:	5/28/14
Authorized Check Signer:	Benny Wilkinson /
Printed Name:	BENNY WILKINSON /

Please attach a copy of your completed, signed check here
DO NOT WRITE "VOID" ON THE CHECK

For Office Use Only:

_____ Routing number _____ Amount _____ Check # _____ Name Insured
_____ Bank _____ Insured's Address

This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy will take precedence over the proposal.

© 2011 INTUIT, INC. # 562 1-800-433-8310

Palmetto of Richland County LLC
10913 Matronome Dr
Houston, TX 77043
(713) 574-5852

BANK OF AMERICA, NA
67-443/530

1193

5/28/2014

PAY TO THE ORDER OF Hotchkiss Insurance Agency

\$ **68,783.98

Sixty-Eight Thousand Seven Hundred Eighty-Three and 98/100 ***** DOLLARS

Hotchkiss Insurance Agency LLC
13105 NW Freeway
Suite 850
Houston, TX 77040-6312

Benny Wilkinson
W. P. [Signature]

MEMO

Customer #NIAMERI-01 - General Liability Insurance



Palmetto of Richland County LLC

1193

Hotchkiss Insurance Agency
Date 5/28/2014 Type Bill Reference 2014-2015 Insurance

Original Amt. 68,783.98

Balance Due 68,783.98

5/28/2014
Discount
Check Amount

Payment 68,783.98
68,783.98

PRC Checking (TX) - Customer #NIAMERI-01 - General Liability Insur

68,783.98

Palmetto of Richland County LLC

1193

Hotchkiss Insurance Agency
Date 5/28/2014 Type Bill Reference 2014-2015 Insurance

Original Amt. 68,783.98

Balance Due 68,783.98

5/28/2014
Discount
Check Amount

Payment 68,783.98
68,783.98

PAYMENT RECORD

PRC Checking (TX) - Customer #NIAMERI-01 - General Liability Insur

68,783.98



HOTCHKISS
INSURANCE AGENCY, LLC
Experience, Choice and Service

5/28/2014

Ni America Operating LLC
10913 Metronome
Houston, TX 77043

RE: 2014-2015 Insurance Proposal

Dear Carey:

We are pleased to enclose the proposal for your insurance renewal effective 5/30/14 - 5/30/15. Please review the proposal and advise us of any changes that may be necessary.

To renew your valuable coverage, please remit the payment as shown on the enclosed proposal made payable to Hotchkiss Insurance Agency, along with the following signed documents by 5/29/14:

- Premium Summary
- Proposal Acceptance Page
- Terrorism Form- only if terrorism is being rejected
- Authorization to Bind Coverage

Hotchkiss Insurance Agency wants you to know that we are here to serve all your insurance needs. Our wide range of services includes Personal, Business, Life, Health, Bonds, Wind, and Flood. If you wish to add a new coverage, or amend your current coverage, please give us a call.

We greatly appreciate your business. Thank you again.

Sincerely,

Angela Henry

Angela Henry, CIC, CISR
Account Manager

Enclosures

*Per Madaday
pay in full*



HOTCHKISS

INSURANCE AGENCY, LLC

Experience, Choice and Service

Prepared for Ni America Operating LLC
by Tye Justice, CIC, CRM

Tye Justice, CIC, CRM
tjustice@hiallc.com
Hotchkiss Insurance Agency, LLC
13430 Northwest Freeway Suite 600
Houston, TX 77040
(800) 899-9810

www.hiallc.com

Service Commitments



Our independent insurance agency provides you with a Client Services team that includes at least three licensed insurance agents. This team is assigned to work closely with you and your staff.

Our Client Services Agents are committed to you and will:

- Work closely with you on any matters relating to insurance.
- Issue all insurance related documents needed such as:
 - Certificates of Insurance
 - Auto Identification Cards
 - Policy Change Endorsements
- Review your contracts, as requested, to determine the availability of the insurance requirements in the contract and assist you and your staff in meeting those requirements, when possible.
- Assist you in reporting claims to carriers and serve as your advocate through the claims process as needed.
- Monitor the insurance marketplace for any new trends, products, and markets that may offer enhancements to your insurance program.
- We can coordinate with your insurance company or other resources to assist you in control of losses, risk transfer, audits, safety training and other services that will benefit your business in many areas of operations and overall profit.
 - A dedicated Client Services Account Executive can tailor a service program specifically to your business. Some of these services may be available at no charge; some may be included in a packaged Fee-for-Service.
 - Claims analysis
 - Site controls and overall loss control
 - Evaluation of safety programs and operational procedures to better protect your employees
 - Coordinate many insurance company services to assist your business in areas of finance, training, product evaluation, and other areas of risk identification.
 - Failure to maintain certificates of insurance from independent contractors may result in additional audit premium. Allow our client services team to assist you with an organizational system throughout the year in order to prepare for your audits.

This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy will take precedence over the proposal.

When to Notify



It is important that you advise Hotchkiss Insurance Agency of any material changes in your operations which may have a bearing on your insurance program. Insurance companies evaluate and accept the risks on the basis of information provided by you throughout the year. Any variation of these details could lead to a claim complication or denial of coverage in the event of a loss.

These changes may include, but are not limited to:

- Executed written contracts including but not limited to: contractors, subcontractors, suppliers, landlords, or leasing companies.
- Employees and independent contractors working in states not specifically listed in the policy.
- Changes of personnel affecting responsibility for insurance decisions.
- Personnel traveling overseas.
- Any work, whether subcontracted or not, that is done near, on, or over any body of water.
- Any new or existing work, whether subcontracted or not, that is done for any governmental agency.
- Acquisition or creation of new companies or subsidiaries and/or mergers and/or joint ventures in which you are involved or any legal change in the corporate structures.
- Purchase, sale, lease, construction, alternation, or occupancy of a new premises, building or temporary location.
- Temporary or permanent vacancy of any property or job site.
- Extension or demolition of any premises whether listed in the policy or not.
- Increase in values of building(s), business personal property, or inventory for both scheduled and unnamed locations.
- Removal or relocation of business personal property or stock to new or temporary locations.
- Addition of equipment or vehicles, whether hired, purchased, leased or borrowed.
- New lease agreements to which you are a party, whether as lessee or lessor.
- Changes in processes, occupancy, products, or business operations.
- Addition, alteration or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Election or appointment of a new C.E.O. or C.O.O., or change in control of either the Board of Directors or the ownership of the company.
- Significant changes in ERISA Plan Assets if we have this coverage.
- Substantial changes in sales/payroll throughout the year.

Insurance has a major role in the planning and pricing of your business operations. As your insurance advisor it is important that we are notified of any changes in your business.

This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy will take precedence over the proposal.

DATE OF ISSUE: 5/27/14

NAMED INSURED: Ni America Capital Management LLC

<u>COVERAGE SUMMARY</u>	<u>ANNUAL PREMIUM</u>
Commercial Property & System Breakdown – FL, SC, & TX Blanket Limit - Limit \$4,678,373 - Ded. \$1,000 - Wind & Hail Ded. \$10,000 (FL Only) Fire hydrants throughout service area \$ 25,000 limit (Included) Equipment Breakdown - \$7,500 except \$25,000 for motors and/or pumps in the ground (TX Only)	\$ Included
Inland Marine - Limit \$543,522 - Ded. \$1,000	\$ Included
General Liability - Payroll \$322,422 (Not auditable) - Ded. \$5,000 BI & PD (SC sewer only) Limits \$3,000,000 Agg. - \$1,000,000 Occ., and Medical \$5,000 Includes Failure to Supply and Named Pollution Coverage - See next page Dam Collapse & Downstream Exclusion Blanket Additional Insured	\$ Included
Business Automobile - # of Trailers <u>2</u> Liab. Limit \$1,000,000 - Ded. Comprehensive \$500 & Collision \$500 Hired & Non-Owned Auto Liability - \$1,000,000 Hired Physical Damage - \$100 Ded. Comp./ \$500 Ded. Coll.	\$ Included
Excess Liability - Limit \$10,000,000 Excess of General Liability, Auto Liability, & Employer's Liab.,	\$ Included
Terrorism - Inclusion Endorsements SD287 & SD290 (See attached form - Only sign & return if rejecting coverage) Terrorism aggregate limit \$1,000,000 for Property and General Liability	EXCLUDED
TOTAL PREMIUM	\$ 68,454.00
State Surcharge (Not included in total)	\$ 129.98
Policy Fee (Not included in total)	\$ 200.00

PROPOSAL ACCEPTANCE

COVERAGE WILL BE **BOUND FOR 10 DAYS** PENDING RECEIPT OF PAYMENT,
after that coverage will lapse.

PLEASE CHECK APPROPRIATE LINE AND RETURN.

PLEASE BIND AS QUOTED ABOVE.

PLEASE DO NOT RENEW COVERAGE.

Signature

Carey Thomas

Date

5/28/2014

PLEASE BE ADVISED

ALL COVERAGE OVERVIEWS WITHIN THIS PROPOSAL ARE GIVEN HERE FOR ILLUSTRATIVE PURPOSES ONLY. PLEASE BE CERTAIN TO READ THE POLICY IN IT'S ENTIRETY FOR IT'S COMPLETE DETAILS, DEFINITIONS, TERMS AND CONDITIONS, LIMITATIONS, AND EXCLUSIONS. INDICATIONS ARE JUST THAT, AND ARE SUBJECT TO FURTHER NEGOTIATIONS AND ADDITIONAL INFORMATION.

Additional Coverage Highlights Prop. V
(Applies to scheduled locations only)

Aboveground Piping	\$	100,000
Above and Below Ground Penstock	\$	100,000
Communication Equipment	\$	100,000
Computer Equipment and Electronic Media	\$	100,000
Fine Arts	\$	5,000
Mobile Equipment (non-owned)	\$	100,000
Outdoor Property including signs	\$	100,000
Paved Surfaces (excluding freezing/thawing/vehicles	\$	100,000
Property in Course of Construction	\$	100,000
Real and Personal Property of Others	\$	100,000
Tress, Shrubs, and Landscape Plantings	\$	1,000
Underground Piping (on premises)	\$	100,000
Valuable papers and Records	\$	100,000
Accounts Receivable	\$	100,000
Ammonia Contamination	\$	10,000
Arson and Crime Reward	\$	1,000
Bridges	\$	25,000
Debris Removal	\$	100,000
Demolition and Increased Cost of Construction	\$	100,000
Expediting Expense	\$	500,000
Loss of Income	\$	500,000
Extra Expense	\$	25,000
Fire Department Service Charge	\$	25,000
Pollutant Clean-up and Removal	\$	100,000
Preservation of Property	\$	100,000
Rental Value	\$	100,000
Utility Interruption	\$	100,000
Vacant Buildings	\$	Unlimited
30 days coverage for property acquired after the inception date		Included
Acquired property under \$500,000 until expiration date		Included
Any newly acquired "mobile equipment" under \$100,000 until expiration date		No Coverage
Flood (Ded. \$25,000) - Excludes Zones A, AO, AH, A1-A30, A99, E, M, V, VE, VO or V1-V30		No Coverage
Earthquake (Ded. \$25,000) No coverage in CA		No Coverage

General Liability

If purchased, Wrongful Acts & Professional Liability are on an Occurrence basis - 5 year retro date
\$5,000 reimbursement to the Insured for legal expenses in any form other than monetary damages.

Defense costs are in addition to the limits

Exception to the Pollution Exclusion for the following;

- (1) Arising out of the use, handling, storage, discharge, dispersal, release or escape of any chemical used in the water treatment process
- (2) Arising out of explosion, lightning, windstorm, vandalism or malicious mischief, collapse, riot and civil commotion, flood, or earthquake;
- (3) Arising out of the collision, upset or overturn of equipment;
- (4) Arising out of the heat, smoke or fumes from a "hostile fire";
- (5) Arising out of weed abatement or spraying;
- (6) Arising out of propane or natural gas; or
- (7) Arising out of "potable water" which is provided by the Insured to others.
- (8) Sewage that emanates from a sewer line or sewer system; or
- (9) Sewage that backs up from a sewer line or sewer system.

THIS IS A SUMMATION OF LIMITS, TERMS, COVERAGES, AND CONDITIONS ALL OF WHICH ARE SUPERSEDED BY THE ACTUAL POLICY WHEN ISSUED.

TERRORISM COVERAGE DISCLOSURE NOTICE

TERRORISM COVERAGE PROVIDED UNDER THIS POLICY

The Terrorism Risk Insurance Act of 2002 and amendments thereto (collectively referred to as the "Act") established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. An act of terrorism is defined as any act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Act we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

If your policy provides commercial property coverage, in certain states, statutes or regulations may require coverage for fire following an act of terrorism. In those states, if terrorism results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to Legal Liability coverage forms or Leasehold Interest coverage forms.

Your premium will include the additional premium for terrorism as stated in the section of this Notice titled DISCLOSURE OF PREMIUM.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer deductible during Program Year 2008 and each Program Year thereafter through 2014.

DISCLOSURE OF CAP ON ANNUAL LIABILITY

If the aggregate insured terrorism losses of all insurers exceed \$100,000,000,000 during any Program Year provided in the Act, the Secretary of the Treasury shall not make any payments for any portion of the amount of such losses that exceed \$100,000,000,000, and if we have met our insurer deductible, we shall not be liable for the payment of any portion of such losses that exceeds \$100,000,000,000.

DISCLOSURE OF CAP ON ANNUAL LIABILITY

Your premium for terrorism coverage is: \$ 500
The premium charged is only for the period through 5/30/15. Refer to Addendum.
(This charge/amount is applied to obtain the final premium.)

You may choose to reject the offer by signing the statement below and returning it to us. Your policy will be changed to exclude the described coverage. If you chose to accept this offer, this form does not have to be returned.

REJECTION STATEMENT

I hereby decline to purchase coverage for certified acts of terrorism. I understand that an exclusion of certain terrorism losses will be made part of this policy.

Carey Thomas
Policyholder/Legal Representative/Applicant's
Signature

Ni America Capital Management LLC
Named Insured

Ni America Capital Management LLC
Print Name of Policyholder/Legal Representative

Arch Insurance Company
Insurance Company
/Applicant

5/27/14
Date

T.B.D.
Policy Number

ADDENDUM J TERRORISM COVERAGE DISCLOSURE NOTICE

Excluded Lines of Insurance

If your policy contains insurance for fidelity, burglary and theft, commercial auto, medical malpractice or professional liability (other than director and officers liability insurance), the **TERRORISM COVERAGE DISCLOSURE NOTICE** does not apply to such lines of insurance because they are excluded from the federal Terrorism Risk Insurance Act Program. The term "Program" means the Terrorism Insurance Program established by the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Potential Terrorism Risk Insurance Act Program Change

For lines of insurance subject to the Program, the Program will terminate at the end of December 31, 2014 unless renewed, extended, or replaced by the federal government. Your policy will become effective (or will be renewed) while the Program is still in effect, but prior to a decision by the federal government on extension of the Program. Since the timetable for any further United States Government action is unknown at this time, we continue to offer the terrorism coverage described in the second paragraph of the **TERRORISM COVERAGE DISCLOSURE NOTICE** for the period of time from your policy inception until 12/31/2014.

If the Program is renewed, extended or replaced during the term of your policy with the requirement that we make terrorism available, the treatment of terrorism under your policy will continue to be applicable subject to all the terms, definitions, exclusions, and conditions of your policy unless we are required to make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply under this policy.

If the Program terminates, or is renewed, extended or replaced during the term of your policy without a requirement that we make terrorism available, the treatment of terrorism under your policy may change and a conditional terrorism endorsement may be effective.

Terrorism Premium Impact

If you are charged Terrorism Premium for the period through 12/31/2014 and the Program is renewed, extended or replaced during the term of your policy and we are required to continue to offer terrorism coverage, we will calculate the premium for such period of time from January 1, 2015 until the Expiration date of your policy and provide you with notice and charge additional premium which will be due as specified in the notice.

If you are charged Terrorism Premium for the period up to the Expiration of your policy and the Program terminates, or is renewed, extended or replaced with certain changes, during the term of your policy, then your acceptance of the offer of the terrorism coverage described in the second paragraph of the **TERRORISM COVERAGE DISCLOSURE NOTICE** will only be effective up to December 31, 2014 and the treatment of terrorism thereafter under your policy may change. Unless similar Terrorism Coverage continues to be provided for such period of time from January 1, 2015 until the Expiration date of your policy, any unearned premium for terrorism coverage no longer applicable under your policy will be returned.

If the Program is renewed, extended or replaced during the term of your policy and we are required to continue to offer terrorism coverage but the level or terms of the Program change to the extent that our premium may not be appropriate, we may recalculate the premium and provide you with notice and charge additional premium which will be due as specified in the notice.

Premium Summary



Premiums

Line of Business	Current Premium	Proposed Premium
Package	\$68,948.33	\$68,783.98
Property	Included in Package	Included in Package
General Liability	Included in Package	Included in Package
Business Auto	Included in Package	Included in Package
Equipment Floater	Included in Package	Included in Package
Umbrella	Included in Package	Included in Package
Total Premium:	\$68,948.33	\$68,783.98

Payment Option

Down Payment Amount	Check Payable To	# of Installments	Installment Amount
\$68,783.98	Hotchkiss Insurance	NA	NA

Effective: 5/30/14

Signature:

Carey Thomas

Date:

5/28/2014

This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy will take precedence over the proposal.



HOTCHKISS
INSURANCE AGENCY, LLC
Experience, Clarity and Service

Auditable Policies

Some of the policies shown in this proposal are auditable. Your insurance carrier will audit you by one of three methods:

- Voluntary Audit- The carrier will send you a form to complete. You will be asked to record the actual exposures for the year being audited. (Please note- if this voluntary audit is not completed, it will result in an ESTIMATED audit. In most cases, the exposures will be much higher than the original, estimated exposures).
- Phone Audit- The carrier may call you to gather information concerning the actual exposures for the prior year.
- Physical Audit- A representative from the carrier may visit your office and will need to have access to records pertaining to your business, such as but not limited to: DWC 83 forms, contractor's certificates of insurance, payroll documents, invoices, bills of lading, material receipts, tax information, financial information, and Employee 941 Forms.

The information gathered will be compiled and compared to the original, estimated exposures, which may result in additional or return premiums.

You will have ten days from the date we forward the audit to you to respond by disputing or paying the audit. The following are several important aspects of audits:

- If you do not respond to this audit within the required time frame, you could **forfeit your right to dispute this audit at a later date**. If this happens, we may not have the means to help you replace this important coverage.
- If you dispute this audit, you must respond in writing on your letterhead and be specific as to what errors were made. Your records should reinforce your statements.
- Depending on the results of the audit, the carrier may increase your current policies to reflect the exposures determined by this audit and require you to pay the additional premium that this endorsement generates. Failure to pay this additional premium will result in cancellation of your current policies. Due to the current state of the insurance market, we may not have another market to replace your coverage with.
- You may agree with the audit and accept the additional or return premiums.
- Please be advised carrier collections could adversely impact your ability to obtain coverage in the future.

As you can see, it is very important that you respond quickly so that we, as your agent, can be in a position to help you. Remember, we are here to help you, so please feel free to contact our office with any questions that you may have.

This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy will take precedence over the proposal.

Authorization to Bind



Name of proposed insured: Ni America Operating LLC

I hereby authorize Hotchkiss Insurance Agency LLC to bind coverage on our behalf as per the proposal

Without changes

With the following changes:

I understand that material misstatements may suspend or void coverage.

I also understand that all coverage and limits are subject to the terms, conditions, and exclusions contained in the insurance policies issued by the insurance companies and in no case will Hotchkiss Insurance Agency, LLC become the insurer or provide any insurance to us.

Signature: Carey Thomas
Print Name: Carey Thomas
Title: Sr. VP HR & Administration
Date: 5/28/2014
E-Mail Address: cthomas@niamerica.com

This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy will take precedence over the proposal.

General Liability Insurance
 Consolidated Premium
 Monthly Amortization

3,177.34

26,995.46

Prepaid Asset/Prop and Gen Liab
 Hotchkiss

Company		Shaded Lane		Brighton		Hudson		Tamiami		Total
ERC's (May 2015)		201		844		3,015		783		4,843
Amt Allocated to Company		1,120.51		4,705.04		16,807.71		4,362.20		26,995.46
Amortization	Days	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.	Balance	Amort.
May 31 - June 30, 2	31	95.17	1,025.34	399.61	4,305.43	1,427.50	15,380.21	370.49	3,991.71	2,292.77
Jul 2015	31	95.17	930.17	399.61	3,905.82	1,427.50	13,952.71	370.49	3,621.22	2,292.77
8/7/2015	7					322.34	13,630.37	83.66	3,537.56	406.00
8/31/2015	24	95.17	835.00	399.61	3,506.21	1,105.16	12,525.21	286.83	3,250.73	1,886.77
Sep 2015	30	92.10	742.90	386.72	3,119.49	1,381.46	11,143.75	358.54	2,892.19	2,218.82
10/22/2015	22	67.54	675.36	283.59	2,835.90	1,013.07	10,130.68	262.93	2,629.26	1,627.13
10/31/2015	9	27.63	647.73	116.01	2,719.89	414.44	9,716.24	107.56		665.64
Nov 2015	30	92.10	555.63	386.72	2,333.17	1,381.46	8,334.78	358.54	2,270.72	2,218.82
Dec 2015	31	95.17	460.46	399.61	1,933.56	1,427.50	6,907.28	370.49	1,900.23	2,292.77
Jan 2016	31	95.17	365.29	399.61	1,533.95	1,427.50	5,479.78	370.49	1,529.74	2,292.77
Feb 2016	28	85.96	279.33	360.93	1,173.02	1,289.36	4,190.42	334.63	1,195.11	2,070.88
Mar 2016	31	95.17	184.16	399.61	773.41	1,427.50	2,762.92	370.49	824.62	2,292.77
Apr 2016	30	92.10	92.06	386.72	386.69	1,381.46	1,381.46	358.54	466.08	2,218.82
May 1 -30, 2016	30	92.06	-	386.69	-	1,381.46	-	358.52	107.56	2,218.73
Total	365	1,120.51		4,705.04		16,807.71		4,362.20		26,995.46

NI America Texas, LLC

1689

Hotchkiss Insurance Agency, Inc.

Date 6/2/2015 Type Bill Reference Insurance

Original Amt. 26,995.46

Balance Due 26,995.46

/6/2/2015

Discount

Check Amount

Payment 26,995.46
26,995.46

PAYMENT RECORD

Memorial City Acct No. General Liability Insurance

26,995.46



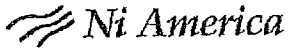
10085/10065 668320 (10/14)



100851



Rev 2/14



Check Request

Company: Ni America Texas/Ni Florida

Date Requested: 6/2/2015

Requested by: Carey Thomas

Amount: 26,995.46

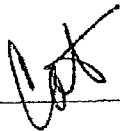
Payable to: Hotchkiss Insurance Agency

Address: _____

Date Needed: 6/2/2015

Delivery Method: Bank Draft Authorization/Fax

Delivery Address if Different than above:

Approved By: Mark Daday 

Approval Date: 6/2/2015

Notes: KeV-would you please print this check today so that I can scan to the Insurance to bind coverage. We can then have Mike sign on Thursday and send over the signed check for the ACH/Bank Draft Authorization.



HOTCHKISS
INSURANCE AGENCY, LLC
Experience, Choice and Service

6/2/2015

Ni America Operating LLC
10913 Metronome
Houston, TX 77043

To: Hotchkiss Insurance Agency
Attn: Angela Henry
Fax #: 713-292-5915
From: Ni America Operating LLC
Date: 6/2/2015

Simply complete this authorization and fax back to us with a copy of your check made payable to Hotchkiss Insurance Agency. Your check must be filled out completely, including your signature, as if you were sending it to us for payment. Once received, we will issue a bank draft on your account and mail you confirmation of the transaction.

Do not send us the actual check. This should be filed with your records.

Bank Draft Authorization

I hereby authorize Hotchkiss Insurance Agency, LLC to issue and deposit a bank draft drawn on my (our) account in the amount of \$26,954.46 styled as per the attached copy of check #1089.

Bank Name:	Memorial City
Bank Routing Number:	[REDACTED]
Bank Account Number:	[REDACTED]
Date:	6/2/15
Authorized Check Signer:	
Printed Name:	Mike Fuzat

Please attach a copy of your completed, signed check here
DO NOT WRITE "VOID" ON THE CHECK

DATE OF ISSUE: 6/2/2015

NAMED INSURED: Ni America Capital Management LLC

<u>COVERAGE SUMMARY</u>	<u>ANNUAL PREMIUM</u>
Commercial Property & System Breakdown – FL & TX	\$ Included
Blanket Limit - Limit \$1,896,520 - Ded. \$1,000 - Wind & Hail Ded. \$10,000 (FL ONLY)	
Fire hydrants throughout service area \$ 25,000 limit (Included)	
Equipment Breakdown - \$7,500 except \$25,000 for motors and/or pumps in the ground (TX Only)	
Inland Marine - Limit \$543,522 - Ded. \$1,000	\$ Included
General Liability – Sub Contractors Payroll \$1,427,000 (Not auditable)	\$ Included
Limits \$3,000,000 Agg. - \$1,000,000 Occ., and Medical \$5,000	
Includes Failure to Supply and Named Pollution Coverage - See next page	
Dam Collapse & Downstream Exclusion	
Blanket Additional Insured	
Business Automobile – Hired & Non-Owned Auto Liability - \$1,000,000	\$ Included
Hired Physical Damage - \$100 Ded. Comp./ \$500 Ded. Coll.	
Excess Liability - Limit \$10,000,000	\$ Included
Excess of General Liability, Auto Liability, & Employer's Liab.	
Terrorism - Inclusion Endorsements SD287 & SD290	EXCLUDED
(See attached form - Only sign & return if rejecting coverage)	
Terrorism aggregate limit \$1,000,000 for Property and General Liability	
TOTAL PREMIUM	\$ 26,685.00
State Surcharge (Not included in total)	\$ 110.46
Policy Fee (Not included in total)	\$ 200.00

PROPOSAL ACCEPTANCE

COVERAGE WILL BE BOUND FOR 10 DAYS PENDING RECEIPT OF PAYMENT,
after that coverage will lapse.

PLEASE CHECK APPROPRIATE LINE AND RETURN.

PLEASE BIND AS QUOTED ABOVE.

PLEASE DO NOT RENEW COVERAGE.

Signature

W. J. P. only

Date

5/2/15

PLEASE BE ADVISED

ALL COVERAGE OVERVIEWS WITHIN THIS PROPOSAL ARE GIVEN HERE FOR ILLUSTRATIVE PURPOSES ONLY. PLEASE BE CERTAIN TO READ THE POLICY IN ITS ENTIRETY FOR ITS COMPLETE DETAILS, DEFINITIONS, TERMS AND CONDITIONS, LIMITATIONS, AND EXCLUSIONS. INDICATIONS ARE JUST THAT, AND ARE SUBJECT TO FURTHER NEGOTIATIONS AND ADDITIONAL INFORMATION.

Additional Coverage Highlights Property

(Applies to scheduled locations only)

Aboveground Piping	\$	100,000
Above and Below Ground Penstock	\$	100,000
Communication Equipment	\$	100,000
Computer Equipment and Electronic Media	\$	100,000
Fine Arts	\$	5,000
Mobile Equipment (non-owned)	\$	100,000
Outdoor Property including signs	\$	100,000
Paved Surfaces (excluding freezing/thawing/vehicles)	\$	100,000
Property in Course of Construction	\$	100,000
Real and Personal Property of Others	\$	100,000
Tress, Shrubs, and Landscape Plantings	\$	1,000
Underground Piping (on premises)	\$	100,000
Valuable papers and Records	\$	100,000
Accounts Receivable	\$	100,000
Ammonia Contamination	\$	100,000
Arson and Crime Reward	\$	10,000
Bridges	\$	1,000
Debris Removal	\$	25,000
Demolition and Increased Cost of Construction	\$	100,000
Expediting Expense	\$	100,000
Loss of Income	\$	500,000
Extra Expense	\$	500,000
Fire Department Service Charge	\$	25,000
Pollutant Clean-up and Removal	\$	25,000
Preservation of Property	\$	100,000
Rental Value	\$	100,000
Utility Interruption	\$	100,000
Vacant Buildings	\$	100,000
30 days coverage for property acquired after the inception date		Unlimited
Acquired property under \$500,000 until expiration date		Included
Any newly acquired "mobile equipment" under \$100,000 until expiration date		Included
Flood (Ded. \$25,000) - Excludes Zones A, AO, AH, A1-A30, A99, E, M, V, VE, VO or V1-V30		No Coverage
Earthquake (Ded. \$25,000) No coverage in CA		No Coverage

General Liability

If purchased, Wrongful Acts & Professional Liability are on an Occurrence basis - 5 year retro date

\$5,000 reimbursement to the Insured for legal expenses in any form other than monetary damages.

Defense costs are in addition to the limits

Exception to the Pollution Exclusion for the following;

- (1) Arising out of the use, handling, storage, discharge, dispersal, release or escape of any chemical used in the water treatment process
- (2) Arising out of explosion, lightning, windstorm, vandalism or malicious mischief, collapse, riot and civil commotion, flood, or earthquake;
- (3) Arising out of the collision, upset or overturn of equipment;
- (4) Arising out of the heat, smoke or fumes from a "hostile fire";
- (5) Arising out of weed abatement or spraying;
- (6) Arising out of propane or natural gas; or
- (7) Arising out of "potable water" which is provided by the Insured to others.
- (8) Sewage that emanates from a sewer line or sewer system; or
- (9) Sewage that backs up from a sewer line or sewer system.

THIS IS A SUMMATION OF LIMITS, TERMS, COVERAGES, AND CONDITIONS ALL OF WHICH ARE SUPERSEDED BY THE ACTUAL POLICY WHEN ISSUED.

TERRORISM COVERAGE DISCLOSURE NOTICE

TERRORISM COVERAGE PROVIDED UNDER THIS POLICY

The Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively referred to as the "Act") established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. An act of terrorism is defined as any act certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

If your policy provides commercial property coverage, in certain states, statutes or regulations may require coverage for fire following an act of terrorism. In those states, if terrorism results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to Legal Liability coverage forms or Leasehold Interest coverage forms.

Your premium will include the additional premium for terrorism as stated in the section of this Notice, titled DISCLOSURE OF PREMIUM.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% in 2015, 84% in 2016, 83% in 2017, 82% in 2018, 81% in 2019, and 80% in 2020 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible during Calendar Year 2015 and each Calendar Year thereafter through 2020.

DISCLOSURE OF CAP ON ANNUAL LIABILITY

If the aggregate insured terrorism losses of all insurers exceed \$100,000,000,000 during any Calendar Year provided in the Act, the Secretary of the Treasury shall not make any payments for any portion of the amount of such losses that exceed \$100,000,000,000, and if we have met our insurer deductible, we shall not be liable for the payment of any portion of such losses that exceeds \$100,000,000,000.

DISCLOSURE OF PREMIUM

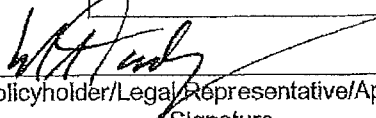
Your premium for terrorism coverage is: \$95.00

(This charge/amount is applied to obtain the final premium.)

You may choose to reject the offer by signing the statement below and returning it to us. Your policy will be changed to exclude the described coverage. If you chose to accept this offer, this form does not have to be returned.

REJECTION STATEMENT

I hereby decline to purchase coverage for certified acts of terrorism. I understand that an exclusion of certain terrorism losses will be made part of this policy.



Policyholder/Legal Representative/Applicant's
Signature

Ni America Capital Management LLC
Named Insured

Ni America Capital Management LLC
Print Name of Policyholder/Legal Representative

Arch Insurance Company
Insurance Company

6/2/2015

Date

T.B.D.

Policy Number

Question 7: In response to Staff's First Data Request, Question 9, the utility provided a contract for the management services of Utility Group of Florida, LLC. The contract indicated that the operator would perform billing and collection services, and provide a customer service office where customers may pay their bills, apply for service, obtain information, register complaints, and generally receive normal and customary billing and collecting services.

- a. If the contract operator is providing these services as the contract indicates, please explain why Ni America is allocating overhead costs that include these functions.
- b. If the utility discovers overhead costs that are duplicative of those included in the management services contract, please provide a list of the impacted positions and provide the total salaries, bonuses, and benefits related to these positions..

Response:

- a. The contract includes certain categories of work to be performed under the contract. At times the operations contractor, Utility Group of Florida, LLC, provides invoices for work done that Ni Florida personnel determine are included in the contract. Alternatively, sometimes the operations contractor provides invoices for work done that Ni Florida personnel determine are not included in the contract. After careful review of these costs by both the utility and the contractor it was determined that these costs were not covered by the contract and as such were allocated from Ni America Operating, LLC. The process is more substance over form and based on each party's interpretation of the contract. The overhead allocation includes costs for services not provided under the contract.
- b. There are no duplicative costs included in the overhead allocation related to the services listed in the question above.

Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 8: Please explain what the "ERC Project" is and how it provides a benefit to the Florida ratepayers. Include in your response support documentation for the \$209,460 in consulting services associated with the project.

Response: The ERC project was an audit of the customers in South Carolina. It does not benefit the Florida ratepayers. The \$209,459.67 of expenses should be excluded from the allocable expenses in the Ni Florida rate case.

Prepared by: Benny Wilkinson

Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 9: Please explain the reasonableness of allocating Ni America Capital Management's director fees to Tamiami and Hudson, which results in allocations of \$2,200 and \$8,442, respectively. Include in your response how the director fees provide a benefit to the Florida ratepayers.

Response: Ni Florida was included under the ownership of Ni America Capital Management, LLC which employed a Board of Directors. The cost of the Board of Directors is a customary, reasonable, and necessary cost and should be allocated to each utility, including Ni Florida utilities. Such fees are reasonable and necessary and provide additional expert oversight of utility operations. A professional Board of Directors is essential to having access to the capital markets. Ni Florida borrows money from Bank of America at competitive rates and raises equity from institutional investors such as its parent, Ni Pacolet Milliken Enterprises. This enables Ni Florida to immediately have enough cash to fund major capital projects like the recently completed Tower Drive project, I & I reduction projects and line relocations due to road widenings. Smaller utilities that do not have this access to capital markets either go to the state for money or are not able to perform the project. This benefits the customer in terms of immediate access to capital, system reliability and financial stability.

Prepared by: Benny Wilkinson

Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 10: In response to Staff's Second Data Request, Question 10, updated rate case expense included \$867.10 for travel expenses for F. Marshall Deterding. Please provide support documentation for this expense.

Response: See below detail for travel costs to Ni Florida customer meetings:

Hotels New Port Richey & North Fort Myers (2 nights total)	\$ 178.96
All Meals (including 1 dinner for 5 utility attendees)	\$ 216.72
Mileage (873 miles @ IRS rate of \$0.54/mile)	<u>\$ 471.42</u>
Total:	<u>\$ 867.10</u>

Prepared by: Benny Wilkinson

BIANCA'S ITALIANO RISTORANTE

15031 N CLEVELAND AVE

WYOMING HEIGHTS OHIO 43083

216-327-3272

DATE: 7/28/16 TIME: 9:05 PM

SERVER #: 11

VISA CREDIT - INVERT

AID: A0000000031010

ACCT #: *****9402

CREDIT SALE

UID: 621013280604 REF #: 0090

BATCH #: 239 AUTH #: 705560

AMOUNT \$216.72

TIP \$ _____

TOTAL \$216.72

APPROVED

TC: 40071559AA155179

THANK YOU FOR DINING AT BIANCA'S

CUSTOMER COPY



Red Roof Inn Ft Myers
 13000 North Cleveland Avenue
 North Fort Myers, FL 33903 US
 Phone: 239-656-4000
 Fax: 239-656-1612
 Email: i0723@redroof.com
 Printed: 7/29/2016 6:15:57 AM

Folio (Detailed)

Name: DETERDING, FLOYD Confirmation Number: 425968-6761
 Address: 2548 BLAIRSTONE PINES DRIVE
 TALLAHASSEE, FL 32301 US
 Room: 249 Room Type: NP1KM, NON-SMOKING SUPERIOR 1 KING BED MICRO-
 Nights: 1 Guests: 1/0
 Rate Plan: RHD Daily Rate: \$67.49 + \$7.42 Tax GTD: 913 - VISA
 Arrival: 7/28/2016 (Thu) Departure: 7/29/2016 (Fri) XXXX XXXX XXXX 9402

Room Rate:

7/28/2016 (Thu) - 7/28/2016 (Thu) \$67.49 + \$7.42 Tax per night.

Date	Code	Description	Amount	Balance
7/29/2016	913	VISA (9402) 05613D 202971004	(\$76.50)	(\$76.50)

Summary

Room	Tax	F&B	Other	CC	Cash	DB
\$0.00	\$0.00	\$0.00	\$0.00	(\$76.50)	\$0.00	\$0.00



Fairfield Inn & Suites®
 Holiday Tarpon Springs

3060 N US Highway 19
 Holiday, FL 34691
 727.722.9500

F. Deterding

Room: 310
 Room Type: KING
 Number of Guests: 2
 Rate: \$94.00 Clerk:

Arrive: 27Jul16 Time: 08:43PM Depart: 28Jul16 Time: Folio Number: 50138

Date	Description	Charges	Credits
27Jul16	Room Charge	94.00	
27Jul16	Room Tax	6.58	
27Jul16	County Tax	1.88	
28Jul16	Master Card		102.46
<i>Card #: MCXXXXXXXXXXXX0972XXXX</i> <i>Amount: 102.46 Auth: 02780Z Signature on File</i> <i>This card was electronically swiped on 27Jul16</i>			
		Balance:	0.00

As a Rewards Member, you could have earned points toward your free dream vacation today. Start earning points and elite status, plus enjoy exclusive member offers. Enroll today at the front desk.

As requested, a final copy of your bill will be emailed to you at: MDETERDING@SFFLAW.COM. See "Internet Privacy Statement" on Marriott.com.

Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 11: For the wastewater system, please explain why the mobile home park is classified as a bulk customer.

Response: The wastewater flow is measured at the on-site lift station and the usage is determined from that reading to calculate the bill for the entire park. If this were to be changed to bill each customer individually, it would require obtaining the water readings from the water provider at some level of expense and would therefore increase the expenses to serve these customers (purchasing the water readings/usage and billing/postage costs).

Prepared by: Benny Wilkinson

Ni Florida, LLC
Docket No. 160030-WS

Florida Public Service Commission
Staff's Fourth Data Request

Question 12: Pursuant to Section 367.091(4), Florida Statutes, a utility may only impose and collect those rates and charges approved by the commission for the particular class of service involved. Per the utility's water tariff, a normal reconnection charge is \$24; however, the utility had four occurrences wherein customers were charged \$27 for a normal reconnection. Please explain why these customers were charged this amount.

Response: These customers were billed \$27.00 for a normal reconnection in error. Ni Florida reviewed the billings for 2015 and found a total of seven (7) accounts that had been incorrectly billed the \$27.00. Because of this finding, on September 15, 2016, billing personnel gave each of these customers a \$3.00 credit on their accounts to adjust the amounts to \$24.00. The current statements for these customers are attached and show the \$3.00 credit as an adjustment. Ni Florida apologizes for this situation, but we are happy to make the corrections for this situation.

Prepared by: Benny Wilkinson

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RI
ELGIN, SC 29045
(877) 233-0101

REAUME, GLEN
3149 PLUTO CIR
N FORT MYERS FL 33903-1106

Current Meter Reading	143,310	8/15/2016
Prior Meter Reading	143,310	
Usage Amount	<u>0</u>	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

<u>Service</u>	<u>Charges</u>
Adjustments	-3.00
<u>Previous Balance</u>	<u>101.88</u>
Balance Due:	\$98.88

Customer Name: REAUME, GLEN

Service Address: 3149 PLUTO CIRCLE

Account 1977 Route Number: 1

Please return this portion of the bill with your payment.

REAUME, GLEN
3149 PLUTO CIRCLE

Account #: 1977

Billing Date: 9/15/2016

Balance 98.88

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RE
ELGIN, SC 29045
(877) 233-0101

ELDRIDGE, RAYOMD
3110 MERCURY LANE
N FORT MYERS FL 33903

Current Meter Reading	73,920	8/15/2016
Prior Meter Reading	73,920	
Usage Amount	<u>0</u>	
<u>Service</u>	<u>Charges</u>	
Adjustments	-3.00	
<u>Previous Balance</u>	<u>19.15</u>	
Balance Due:	\$16.15	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

Customer Name: ELDRIDGE, RAYOMD
Service Address: 3110 MERCURY LANE
Account 2138 Route Number: 1

Please return this portion of the bill with your payment.

ELDRIDGE, RAYOMD
3110 MERCURY LANE

Account #: 2138

Billing Date: 9/15/2016

Balance

16.15

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RI
ELGIN, SC 29045
(877) 233-0101

TERAULT, JAMES D
34 Carew St
Chicopee MA 01020

Current Meter Reading	354,540	6/16/2015
Prior Meter Reading	354,540	
Usage Amount	<u>0</u>	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

Service	Charges
Adjustments	-3.00
Balance Due:	-3.00

Customer Name: TERAULT, JAMES D
Service Address: 9071 FLAMINGO CIR
Account 1671 Route Number: 1

Please return this portion of the bill with your payment.

TERAULT, JAMES D
9071 FLAMINGO CIR

Account #: 1671

Billing Date: 9/15/2016

Balance -3.00

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RI
ELGIN, SC 29045
(877) 233-0101

McCLOSKEY, FRANCES
3476 CELESTIAL WAY
N FORT MYERS FL 33903-1431

Current Meter Reading	88,660	8/15/2016
Prior Meter Reading	88,660	
Usage Amount	<u>0</u>	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

Service	Charges
Adjustments	-3.00
Previous Balance	-125.09
Balance Due:	-128.09

Customer Name: McCLOSKEY, FRANCES

Service Address: 3476 CELESTIAL WAY

Account 0354 Route Number: 1

Please return this portion of the bill with your payment.

McCLOSKEY, FRANCES
3476 CELESTIAL WAY

Account #: 0354

Billing Date: 9/15/2016

Balance -128.09

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RI
ELGIN, SC 29045
(877) 233-0101

FIELDS, LEONARD & YVONN
3124 PLUTO CIR
N FORT MYERS FL 33903-1104

Current Meter Reading	143,480	8/15/2016
Prior Meter Reading	143,480	
Usage Amount	<u>0</u>	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

Service	Charges
Adjustments	-3.00
Previous Balance	<u>80.41</u>
Balance Due:	\$77.41

Customer Name: FIELDS, LEONARD & YVONN
Service Address: 3124 PLUTO CIR
Account 1688 Route Number: 1

Please return this portion of the bill with your payment.

FIELDS, LEONARD & YVONN
3124 PLUTO CIR

Account #: 1688

Billing Date: 9/15/2016

Balance 77.41

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RI
ELGIN, SC 29045
(877) 233-0101

RAUVALA, WILLIAMS
3188 PLUTO CIR
N FT MYERS FL 33903

Current Meter Reading	62,750	8/15/2016
Prior Meter Reading	62,750	
Usage Amount	<u>0</u>	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

<u>Service</u>	<u>Charges</u>
Adjustments	-3.00
Previous Balance	-71.62
Balance Due:	-74.62

Customer Name: RAUVALA, WILLIAMS
Service Address: 3188 PLUTO CIRCLE
Account 2220 Route Number: 1

Please return this portion of the bill with your payment.

RAUVALA, WILLIAMS
3188 PLUTO CIRCLE

Account #: 2220

Billing Date: 9/15/2016

Balance -74.62

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement

Reprinted Billing Statement

NI FLORIDA, TAMIAMI
1713 SUITE A WOODCREEK FARMS RI
ELGIN, SC 29045
(877) 233-0101

ORELL, RICHARD
373 SHUMONT ROAD
BLACK MOUNTAIN NC 28711

Current Meter Reading	75,880	3/31/2016
Prior Meter Reading	67,590	
Usage Amount	<u>8,290</u>	

NI FLORIDA, TAMIAMI

Due Date:09/15/16

Service	<u>Charges</u>
Adjustments	-3.00
Balance Due:	-3.00

Customer Name: ORELL, RICHARD
Service Address: 3580 CELESTIAL WAY
Account 2015 Route Number: 1

Please return this portion of the bill with your payment.

ORELL, RICHARD
3580 CELESTIAL WAY

Account #: 2015

Billing Date: 9/15/2016

Balance -3.00

Due Date: 09/15/16

Amount Enclosed: _____

Reprinted Billing Statement