

PSC NO: 1 GAS

LEAF: 210.8

COMPANY: KEYSpan GAS EAST CORPORATION

REVISION: 0

INITIAL EFFECTIVE DATE: 11/03/06

SUPERSEDING REVISION:

STAMPS:

Form of Facilities Construction and Reimbursement Agreement
For Electric Generation (continued)

7.4 Payment. Payments by Customer shall become due to KeySpan in accordance with the following payment schedule:

- (a) A payment of 25% of the Estimated Cost (less any advances heretofore paid by Customer) shall be paid to KeySpan within 24 hours after execution of this Agreement;
- (b) A payment of 30% of the Estimated Cost shall be due to KeySpan after KeySpan has delivered the final Mechanical piping drawing;
- (c) A payment of 30% of the Estimated Cost shall be due to KeySpan after completion of 50% of its construction obligations under this Agreement;
- (d) A payment of 15% of the Estimated Cost shall be due to KeySpan upon completion of its construction obligations under this Agreement; and,
- (e) Within ninety (90) days after completion of its construction obligations under this Agreement, KeySpan shall deliver to Customer a statement detailing the Actual Cost incurred by KeySpan hereunder. Within 30 days after delivery of such statement, either (1) Customer shall pay to KeySpan the amount by which the Actual Cost exceeds the amounts previously paid by Customer to KeySpan hereunder, or (2) KeySpan shall reimburse to Customer the amount by which the amounts previously paid by Customer to KeySpan exceeds the Actual Cost.

Issued by: Joseph F. Bodanza, Senior Vice President, Hicksville, NY