

PSC NO: 1 GAS

LEAF: 210.12

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)

10.3 Each Party shall deliver to the other Party, prior to the start of construction, certificates of insurance showing that the insurance requirements set forth in this Agreement are in full force and effect and that not less than 30 days written notice will be given to the other Party prior to cancellation, termination or material alteration of the insurance.

10.4 The insurance requirements set forth in this Agreement are to protect the Parties from any and all claims of third parties, including claims asserted by the Parties' employees, agents, contractors, subcontractors and invitees arising out of the negligence of such Party, its contractors and/or subcontractors. Said insurance, however, shall in no manner relieve or release such Party, its agents, contractors, subcontractors and invitees from liability, or limit such liability as to any and all obligations herein assumed.

10.5 In the event that any of the above insurance policies is available only on a claims-made basis, then the dates of coverage (including the retroactive dates) and the time period within which any claim can be filed will be so stated on the certificate of insurance and neither Party shall permit any lapse in coverage to occur.

10.6 Each Party shall notify the other Party's Claims Department, in writing, of all accidents arising out of its performance under this Agreement within 24 hours after the Party learns of such occurrence. Such notice shall not relieve either Party of any of its obligations under this Agreement nor be construed to be other than mere notification.

10.7 In the event that either Party causes or permits any of the required insurance to lapse or be cancelled and fails to promptly provide equivalent coverage, the other Party may, at its option, purchase such insurance and charge back the costs of such insurance to the Party who caused or permitted such lapse or cancellation, which charge shall be due and payable in full upon demand therefor.

10.8 Each Party shall also be responsible for ensuring that all contractors and subcontractors obtain reasonable limits of insurance in forms and with companies consistent with those set forth in this Article 10.

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