

PSC NO: 1 GAS

LEAF: 210.15

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)

Article 12  
Audit Rights

12.1 Inspection of Books and Records. Customer shall have the right during normal business hours and upon reasonable prior notice to examine, on any day on which KeySpan is open for business, the books and records of KeySpan relating to work for which payment is sought under this Agreement in order to verify any statement, charge or computation made hereunder. Any payment hereunder shall be without prejudice to the right of the paying Party to dispute the accuracy or validity of the subject invoice or statement. All statements and invoices shall be deemed final and binding unless the paying Party has notified the other Party of any dispute on or before twelve (12) months after the date of the statement or invoice.

Article 13  
Credit Assurances

13.1 Letter of Credit or Other Assurance. Prior to commencement of its obligations under this Agreement, KeySpan shall conduct a review of Customer's credit. If KeySpan determines, in its sole judgment, and after consultation with authorized representatives of Customer, that Customer's credit is unsatisfactory, then KeySpan shall have the right to request, and Customer shall: (a) obtain and furnish to KeySpan an irrevocable and unconditional letter of credit from a responsible financial institution acceptable to KeySpan, securing the full payment of forty-five percent (45%) of the Estimated Cost; or (b) deposit funds equal to said 45% of the Estimated Cost with an escrow agent acceptable to KeySpan on terms and conditions that assure timely application of the funds so deposited to discharge Customer's payment obligations under this Agreement.

Article 14  
Miscellaneous

14.1 Governmental Authorizations. Unless otherwise provided herein, each Party shall be responsible for obtaining all necessary governmental authorizations and permits applicable to the construction performed hereunder by such Party.

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