

PSC NO: 1 GAS

LEAF: 210.34

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 – Third Party (continued)

- 11.5 The Parties hereby undertake to comply with all applicable federal, state and local laws, rules, ordinances and/or regulations in effect on the date hereof which regulate or control the design, engineering, construction and installation of the Facilities. Each Party shall indemnify and hold harmless the other Party, its officers, directors, employees, agents and servants, from any loss, damage, penalty or injury, including reasonable attorney's fees and expenses, resulting from the indemnifying Party's violation of the above described laws, rules, ordinances and/or regulations. This indemnification and hold harmless obligation shall be separate from and independent of any other obligations of either Party to indemnify and hold harmless the other Party, its officers, directors, employees and agents.

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.

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