

PSC NO: 1 GAS
COMPANY: KEYSpan GAS EAST CORPORATION
INITIAL EFFECTIVE DATE: 11/03/06
STAMPS:

LEAF: 210.6
REVISION: 0
SUPERSEDING REVISION:

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

Article 6
Ownership of Facilities

6.1 KeySpan Owned Facilities. As set forth below, KeySpan shall exclusively operate and own all right, title and interest in the portion of the Facilities upstream of the outlet of the Metering Facilities, whether or not constructed by KeySpan (the "KeySpan Facilities"). Upon the completion of all construction in accordance with the Standards and upon KeySpan's acceptance of the KeySpan Facilities (a) the Parties shall execute and deliver to the other any and all documentation reasonably required to transfer such right, title and interest in the KeySpan Facilities from Customer to KeySpan, free of all liens and encumbrances of any and all parties including Customer's contractors, subcontractors, suppliers and financiers; and (b) Customer shall transfer to KeySpan any and all warranties for materials, equipment and workmanship for the KeySpan Facilities. Customer shall promptly cause any future lien or encumbrance of any and all of Customer's contractors, subcontractors, suppliers and financiers to be settled, cancelled and discharged promptly without loss, damage or expense to KeySpan.

6.2 Customer Owned Facilities. As between Customer and KeySpan, Customer shall own all right to, and title and interest in the portion of the Facilities downstream of the outlet of the Metering Facilities.

Article 7
Cost Reimbursement

7.1 Cost Estimate. The document labeled "Cost Estimate" and attached hereto as Exhibit "C" is KeySpan's estimate of the costs it expects to incur in performing its obligations under this Agreement. In the event of any conflict or inconsistency between Exhibit "C" and this Agreement, the terms and conditions of this Agreement shall control. Furthermore, the Cost Estimate is based upon construction of facilities necessary to provide the level of [non]/ (___) interruptible service contemplated by the Gas Transportation Agreement.

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