

PSC NO: 1 GAS

LEAF: 210.11

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 10

Insurance

10.1 Customer, at its own cost and expense, shall procure and maintain, and cause its contractors and subcontractors to procure and maintain, the following minimum insurance:

- (a) Workers' Compensation Insurance in accordance with statutory requirements and Employer's Liability insurance with a minimum liability limit of \$1 million per occurrence.
- (b) Commercial General Liability Insurance with a minimum liability limit of \$1 million per occurrence. Such policy shall include an endorsement for Contractual Liability coverage, which shall insure the performance of the obligations assumed by Customer pursuant to this Agreement, and an endorsement stating that KeySpan is an additional insured with respect to operations relating to this Agreement for incidents arising out of the negligence of Customer, its contractors or subcontractors.
- (c) Commercial Automobile Liability Insurance with a minimum liability limit of \$1 million per occurrence. This insurance shall apply to all owned, non-owned and hired automobiles used by Customer.
- (d) Umbrella Liability Insurance Policy with coverage for Commercial General Liability, Automobile Liability and Employer's Liability with a minimum liability limit of \$5 million per occurrence.

10.2 All insurance required by this Article 10 shall be obtained by valid and enforceable policies, issued by a company (or companies) licensed to do business in the State of New York and classified in the most recent edition of Best's Insurance Guide as a minimum Class XII as to financial rating and B+ as to policyholder rating, provided, however, that Lloyds of London and its subsidiaries, International Insurance Company, Royal Insurance Company, Associated Electric and Gas Insurance Services Limited (AEGIS), and any other insurer upon which the Parties shall agree, shall be deemed to be acceptable companies for purposes of this Article.

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