



report

KeySpan Corporation
One MetroTech Center
Brooklyn, New York 11201-3850

Direct Dial: (718) 403-3008

November 25, 2002

ORIG-FILES

97-M-0567

COPIES

MR. P. AGRESTA

MR. P. POWERS

VIA FEDERAL EXPRESS

Hon. Janet Hand Deixler
Secretary
Public Service Commission of the
State of New York
Three Empire State Plaza
Albany, New York 12223

**Re: Preliminary Site Assessment Services Agreement
between KeySpan Corporate Services, LLC and
Paulus, Sokolowski and Sartor Engineering, PC**

Dear Secretary Deixler:

Enclosed for filing with the Commission, pursuant to the Settlement Agreement governing the merger between The Brooklyn Union Gas Company and Long Island Lighting Company, approved by the Commission in Case 97-M-0567, Order Adopting Terms of Settlement Subject to Conditions and Changes (February 5, 1998),¹ are three copies² of the Agreement dated November 21, 2002 between KeySpan Corporate Services, LLC and Paulus, Sokolowski and Sartor Engineering, PC (PS&S). Under this Agreement, PS&S will provide preliminary site assessment services at the former Far Rockaway Manufactured Gas Plant site owned by KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island.

Kindly acknowledge receipt and filing of the enclosed agreements by date stamping the enclosed copy of this letter and returning it in the postage-paid envelope provided.

ack when

Yours truly,

M. Margaret Fabic

Attorney for

KeySpan Energy Delivery Long
Island

MMF:ar
Enclosure

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COMMISSION
OSCC-FILES-ALBANY

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¹ Section IV.C.2.h. of the Settlement Agreement requires that goods and services between Jurisdictional Subsidiaries (KED NY and KED LI) and a Non-Utility Subsidiary (such as PS&S) be provided under contract and that the contract be filed with the Commission.

² Due to the voluminous nature of this contract, three copies are being filed. The Company will make additional copies available upon request.

AGREEMENT

This Agreement dated as of November 21, 2002, by and between KeySpan Corporate Services, LLC ("KeySpan") and Paulus, Sokolowski and Sartor Engineering, PC ("PS&S"), for the following project: Preliminary Site Assessment Services (the "Project") at the Former Far Rockaway Manufactured Gas Plant Site ("Site"). KeySpan and PS&S may each be referred to herein as a "Party" and collectively referred to herein as the "Parties."

The Parties agree as follows:

ARTICLE 1 MUTUAL RIGHTS AND RESPONSIBILITIES

1.1 KeySpan and PS&S shall be mutually bound by the terms of this Agreement. The terms of this Agreement shall not conflict with the affiliate rules of the New York Public Service Commission.

1.2 The Exhibits set forth below and attached hereto (collectively referred to as the "Contract Documents") are incorporated in and made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and the provisions of any of the Contract Documents, the provisions of this Agreement shall be controlling.

Exhibit A -- KeySpan Corporate Services LLC Request for Information (the "RFI") and the documents referenced therein

Exhibit B -- PS&S Response to Request for Information and Proposal, dated October 8, 2002 and revised November 11, 2002 (the "Proposal") and the documents referenced therein

Exhibit C -- Schedule of Charges and General Conditions

Exhibit D -- Task Description and accompanying Project Cost Estimate Work Sheets

Exhibit E -- Work Order/Agreement

Exhibit F -- KeySpan Purchase Order

1.3 Each party shall perform its obligations consistent with applicable governmental laws, rules and regulations, including but not limited to orders, rules and regulations of the New York Public Service Commission governing transactions among affiliates of KeySpan.

ARTICLE 2 SCHEDULING OF WORK/COMMUNICATION

2.1 The Parties will cooperate in scheduling the work to be performed by PS&S under this Agreement (the "Work") to avoid conflicts, delays or interference at the Site. PS&S shall promptly notify KeySpan of any KeySpan caused interference or Work delays. Each Party shall promptly respond to written notices of the other Party.

ARTICLE 3 PS&S RESPONSIBILITIES

3.1 PS&S shall perform all of the work listed in the Preliminary Site Assessment Work Plan Outline contained in the Proposal. PS&S shall cooperate with KeySpan in scheduling and performing the Work to avoid conflict, delay in or interference with the Work of KeySpan as well as other contractors.

3.2 The PS&S shall promptly submit all reports, data, samples and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the KeySpan or other contractors.

3.3 PS&S shall give notices and comply with all laws, ordinances, rules and regulations and orders of public authorities bearing on performance of the Work.

3.4 The PS&S shall take reasonable safety precautions with respect to performance of this Agreement, shall comply with safety measures initiated by KeySpan and with all applicable laws, ordinances, rules, regulations and order of public authorities for the safety of persons and property. PS&S shall report to KeySpan within three (3) days an injury to an employee or agent of PS&S which occurred at the Site.

ARTICLE 4
DISPUTE RESOLUTION AND LIMITATION OF LIABILITY

4.1 In the event of any dispute with respect to this Agreement and the Project, the Parties agree to use their best efforts to resolve the dispute amicably. In the absence of such resolution, either Party may seek remedies available to it at law or in equity. In no event shall either Party be liable for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such claim is based upon alleged breach of contract, willful misconduct, or negligent act or omission.

ARTICLE 5
TERMINATION, SUSPENSION OR ASSIGNMENT

5.1 KeySpan may suspend, delay, interrupt or terminate this Agreement at its discretion. Upon such suspension, delay, interruption or termination, all Work shall automatically cease and PS&S shall be entitled to receive payment for Work executed.

5.2 PS&S shall not assign this Agreement without the written consent of KeySpan which shall not be unreasonably withheld.

ARTICLE 6
CHANGES IN THE WORK

6.1 All changes to the Work shall only be performed upon execution of a written change order by KeySpan and PS&S.

6.2 Requests for adjustments for changes in scope of work, field conditions, latent defects, rework or punch lists or any other reason are to be submitted in writing and are subject to review and approval by KeySpan before an adjustment will be made to the contract amount in Article 7.

ARTICLE 7
PAYMENT

7.1 KeySpan shall pay PS&S in accordance with the Unit Costs Schedule, the Personnel and Rate Schedule, and the Project Specific Tasks Cost Schedule contained in the Proposal; and in accordance with the Schedule of Charges and General Conditions.

7.2 All time spent by PS&S personnel, other than principals, will be billed at rates which are at cost, in accordance with SEC Rules 90 and 91 under the Public Utility Holding Company Act ("PUHCA").

ARTICLE 8
INSURANCE

8.1 PS&S shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance in accordance with the RFI.

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 This Agreement represents the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by each Party to this Agreement.

9.2 This Agreement shall be governed by the laws of the State of New York.

9.3 The Section headings used in this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of the provisions hereof or of the information set forth in this Agreement.

KEYSPAN CORPORATE SERVICES, LLC

BY: 

NAME: JR LANCAKIC

TITLE: MANAGER, PURCHASING

**PAULUS, SOKOLOWSKI AND
SARTOR ENGINEERING, PC**

BY: 

NAME: EMAD YOUSSEF

TITLE: VICE PRESIDENT



KEYSPAN CORPORATE SERVICES LLC
175 EAST OLD COUNTRY ROAD
HICKSVILLE, NY 11801

~~OCTOBER 1, 2002~~
~~AUGUST 13, 2002~~

REQUEST FOR INFORMATION

SUBMIT TWO COPIES OF YOUR PROPOSAL, (ONE WITH PRICING AND ONE WITH PRICING OMITTED) IN A SEALED ENVELOPE ADDRESSED AS FOLLOWS:

KEYSPAN CORPORATE SERVICES LLC
OFFICE OF THE MANAGER
PURCHASING DEPARTMENT
175 E. OLD COUNTRY ROAD
HICKSVILLE, NEW YORK 11801

THE OUTSIDE OF YOUR SEALED ENVELOPE
MUST BE IDENTIFIED AS FOLLOWS:

SUBJECT: PRELIMINARY SITE ASSESSMENT AT THE FORMER
FAR ROCKAWAY MANUFACTURED GAS PLANT - FAR
ROCKAWAY NY.

SEALED BID NUMBER: Q - WJL - 02-21

REVISED PROPOSAL DUE DATE: ~~WEDNESDAY~~ OCTOBER 9, 2002
BIDS NOT RECEIVED AS REQUESTED ABOVE
WILL NOT BE ACCEPTED.

QUESTIONS REGARDING THIS BID SHOULD BE SENT TO THE
THE BUYER LISTED BELOW VIA THE PHONE, FAX OR MAIL.
BUYER: WILLIAM J. LAWRENCE
PHONE: 516 545-4372
FAX : 516 545-5652
ADDRESS:

**175 E. OLD COUNTRY ROAD
HICKSVILLE, NEW YORK 11801
PURCHASING DEPARTMENT**

**ALL LABOR, MATERIAL, TOOLS, EQUIPMENT, SUPERVISION,
TRANSPORTATION AND INSURANCE REQUIRED TO: PERFORM A
PRELIMINARY SITE ASSESSMENT (PSA) AT THE FORMER MANUFACTURED
GAS PLANT -FAR ROCKAWAY, NY.**

**ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH
KEYSPAN'S:**

- 1) QUOTATION Q- WJL-02-21 DATED AUGUST 13, 2002**
- 2) INSURANCE REQUIREMENTS," CONSULTANTS ON SITE" DATED APRIL,
2000**
- 3) KEYSPAN GENERAL CONDITIONS M-300 GENERAL CONDITIONS DATED
JULY 1, 2002**
- 4) KEYSPAN WORKSCOPE ENTITLED "PRELIMINARY SITE ASSESSMENT AT
THE FAR ROCKAWAY FORMER MANUFACTURED GAS PLANT SITE, FAR
ROCKAWAY- NEW YORK" , DATED AUGUST 13, 2002.**
- 5) KEYSPAN TERMS AND CONDITIONS DATED AUGUST , 2000 ..**
- 6) KEYSPAN SPECIFICATION ENV-3208 ENTITLED "GENERAL
SPECIFICATION FOR PROJECTS INVOLVING LEAD PAINTS AND COATINGS"
DATED JANUARY 2001 REVISION #3**

SITE VISIT MEETING

**IT IS A REQUIREMENT THAT EACH BIDDER ATTEND THE SITE VISIT
MEETING. UNDER NO CIRCUMSTANCE WILL A BID BE ACCEPTED IF
THE SITE VISIT IS NOT MADE.
CONTACT MR. TED LEISSING (516) 545 -- 2563 TO MAKE
ARRANGEMENTS TO VISIT THE SITE.**

**THIS PROPOSAL WILL BE VALID FOR NINETY (90) DAYS FROM THIS BID
DUE DATE.**

**IT IS UNDERSTOOD THAT THE COMPANY RESERVES THE RIGHT OF
REJECTING ANY OR ALL PROPOSALS AND WAIVING TECHNICAL
IRREGULARITIES.**

WORK IN HARMONY

IT IS UNDERSTOOD THAT THE CONTRACTOR IS RESPONSIBLE FOR HARMONIOUS LABOR RELATIONS AMONG (I) IT'S OWN EMPLOYEES; AND (II) WITH RESPECT TO THE CONTRACTOR'S PRESENCE AT THE SITE WHERE THE PROJECT IS BEING PERFORMED, IT'S OWN EMPLOYEES, COMPANY EMPLOYEES AND THE EMPLOYEES OF ANY OTHER CONTRACTORS AUTHORIZED BY THE COMPANY TO BE ON THE SITE WHERE THE PROJECT IS BEING PERFORMED.

IT IS UNDERSTOOD THAT FAILURE TO COMPLY WILL BE SUFFICIENT CAUSE FOR BID REJECTION.

THE FOLLOWING IS A LIST OF THE TRADE CLASSIFICATIONS AND UNION AFFILIATIONS OF THE CONTRACTOR'S EMPLOYEES:

TRADE CLASSIFICATION	UNION AFFILIATION-IF NONE STATE
Paulus, Sokolowski & Sartor Engineering, PC	None

THE FOLLOWING IS A LIST OF THE TRADE CLASSIFICATIONS AND UNION AFFILIATIONS OF ALL SUBCONTRACTOR'S EMPLOYEES:

TRADE CLASSIFICATION	UNION AFFILIATION-IF NONE STATE
Zebra Environmental Corp. - Driller	None
Hampton-Clarke, Inc. - Vertich Laboratories	None

THE CONTRACTOR SHALL PROMPTLY NOTIFY THE COMPANY IN WRITING, OF ANY CHANGES IN THE TRADE CLASSIFICATIONS OR UNION AFFILIATIONS OF ANY OF THE CONTRACTOR'S EMPLOYEES OR THE SUBCONTRACTOR'S EMPLOYEES.

MINORITY/WOMEN BUSINESS ENTERPRISES ("M/WBE")

IT IS UNDERSTOOD THAT KEYSpan IS COMMITTED TO SUPPORTING MINORITY/WOMEN BUSINESS ENTERPRISES SUPPLIERS AND CONTRACTORS. IN AN EFFORT TO ACCURATELY TRACK WORK PERFORMED BY THESE ENTERPRISES, ANY MINORITY/WOMEN BUSINESS ENTERPRISES THAT WILL BE SUBCONTRACTOR A PORTION OF THE WORK IN SUPPORT OF THIS PROJECT, ARE INCLUDED BELOW.

IT IS UNDERSTOOD THAT KEYSpan CORPORATE SERVICES LLC RESERVES THE RIGHT TO VERIFY ANY OF THE INFORMATION IN THE SPACE PROVIDED BELOW:

NAME	MINORITY OR WOMEN	WORK/ MATERIALS	VALUE
Hampton-Clarke, Inc. Veritech Laboratories	WBE	Laboratory Analytical Services	\$22,886.00

SUB-CONTRACTORS

KEYSPAN RESERVES THE RIGHT OF ACCEPTING OR REJECTING ALL SUBCONTRACTORS PROPOSED BY THE CONTRACTOR. FOR THIS PROJECT. THE CONTRACTOR IS TO SUPPLY AS PART OF THEIR BID A LISTING OF ALL THE PROPOSED SUBCONTRACTORS FOR KEYSpan'S REVIEW AND APPROVAL.

EXCEPTIONS

ANY EXCEPTIONS REGARDING THE ABOVE SHALL BE NOTED BELOW. IN THE ABSENCE OF DEFINED EXCEPTIONS, THIS PROPOSAL WILL BE ACCEPTED AS IN TOTAL COMPLIANCE THEREWITH.

IN THE EVENT A PROPOSAL WILL NOT BE SUBMITTED, PLEASE SO INDICATE BY LETTER TO KEYSpan ON OR BEFORE THE PROPOSAL DUE DATE. FAILURE TO SUBMIT A PROPOSAL OR A LETTER OF DECLINATION BY THE PROPOSAL DUE DATE WILL RESULT IN YOUR COMPANY BEING REMOVED FROM KEYSpan'S APPROVED BIDDERS LIST FOR THIS COMMODITY.

SAFETY

THE CONTRACTOR SHALL ADHERE TO THE APPLICABLE OSHA STANDARDS. THE ENTIRE AREA WHERE THE WORK IS PERFORMED IS A HARD HAT AREA. SAFETY GLASSES ARE REQUIRED AND MUST BE WORN.

COMPLIANCE WITH ALL SAFETY RULES IS MANDATORY. FAILURE TO COMPLY CAN RESULT IN REVOCATION OF SITE ACCESS, DISCIPLINARY ACTION AND/OR TERMINATION.

BACKCHARGES

THE CONTRACTOR WILL BE BACKCHARGED (IN ADDITION TO ANY OTHER APPROPRIATE BACKCHARGES, CLAIMS, COSTS OR DAMAGES, INCLUDING LIQUIDATED DAMAGES, IF ANY) SIX HUNDRED (\$600.00) DOLLARS PER DAY FOR EACH DAY THAT AN ENGINEER OR OTHER COMPANY PERSONNEL ("ENGINEER") ARE REQUIRED TO BE AT THE SITE TO MAINTAIN CONTRACTOR SCHEDULED WORK IF (1) THE CONTRACTOR'S WORK FORCE DOES NOT APPEAR AS SCHEDULED OR (2) THE WORK IS NOT COMPLETED IN ACCORDANCE WITH THE SCHEDULE AND THE RESULTING EXTENDED SCHEDULE DELAY IS NOT THE FAULT OF THE COMPANY OR CAUSED BY COMPANY APPROVED CHANGES IN WORK SCOPE. THESE BACKCHARGES REIMBURSE THE COMPANY FOR SALARIES, PAYROLL LOADINGS AND ADMINISTRATIVE COSTS FOR SUCH EXTENDED COVERAGE AT THE SITE.

IN ADDITION, THE CONTRACTOR WILL BE BACKCHARGED FIFTY DOLLARS (\$50.00) PER HOUR FOR PREMIUM TIME WORKED BY THE ENGINEER TO (1) ACCOMMODATE THE CONTRACTOR (I.E. WORK THAT IS NOT NECESSARY TO MAINTAIN THE PROJECT SCHEDULE) OR (2) CORRECT SCHEDULE DELAYS CAUSED BY THE CONTRACTOR. PREMIUM TIME IS DEFINED AS TIME WORKED BY THE ENGINEER IN EXCESS OF EIGHT (8) HOURS PER DAY, MONDAY THROUGH FRIDAY, AND ALL DAY ON SATURDAY, SUNDAY AND HOLIDAYS.

CONTACTS:

NAME AND TELEPHONE NUMBER OF THE PERSON IN SELLER'S ORGANIZATION WHO CAN BE CONTACTED FOR THE PURPOSES OF:

INFORMATION RELATED TO THIS PROPOSAL:

NAME: Joseph J. Lifrieri, PE, PG TEL. NO. 732-560-9700 ext. 298

FAX NO. 732-271-4890

PRICING:

1) INCLUDE YOUR RATE SCHEDULE FOR ALL PROJECT PERSONNEL

4) INCLUDE YOUR EQUIPMENT RATE SCHEDULE (EQUIPMENT AND OPERATOR) FOR ALL EQUIPMENT THAT WILL BE USED ON THIS PROJECT.

WILLIAM J. LAWRENCE
SENIOR BUYER
PURCHASING DEPARTMENT

SIGNATURE

PRINT NAME

Joseph J. Lefrieri, PE, PG

COMPANY NAME

Paulus, Sokolowski & Sartor Engineering, PC

DATE

October 8, 2002

KEYSPAN CORPORATE SERVICES LLC
and its affiliates

INSURANCE REQUIREMENTS

FOR

CONSULTANT (ON SITE)

I. PRIOR TO THE START OF ANY WORK, Contractor (and all Subcontractors) shall, at their own expense, procure and maintain until final completion and acceptance of the work the following minimum insurance in forms and with insurance companies acceptable to KeySpan Corporate Services LLC:

- A. The Contractor, its agents, employees, servants and subcontractors shall indemnify and hold harmless KeySpan Corporate Services LLC, its officers, directors, employees, agents and servants from any liabilities, penalties, losses, costs, damages, claims, expenses, attorney's fees, expenses of litigation, suits, judgments, liens and encumbrances, arising out of or in any way connected with this Agreement, whenever made or incurred, including any and all liability imposed by law, and/or contract, and/or custom, upon KeySpan Corporate Services LLC, its officers, directors, employees, agents and servants, or any of all of them, which arises out of (i) the Contractor's negligence or breach of statutory duty and/or (ii) in the event of claims asserted by the Contractor's agents, employees, servants and/or subcontractors, the negligence or breach of statutory duty of KeySpan Corporate Services LLC. In either case, KeySpan Corporate Services LLC shall have the right to demand that the Contractor undertake to defend any and all suits and to investigate, and defend any and all claims whether justified or not, providing only that the claim or suit shall be against KeySpan Corporate Services LLC, its officers, directors, employees, agents and servants.
- B. The Contractor (and all Subcontractors) shall, at their own expense, procure and maintain until final completion and acceptance of the Services the following minimum insurance in forms and with insurance companies acceptable to the Company. The Contractor will be responsible for ensuring that all Subcontractors are in compliance with the insurance provision at all times.

Contractor shall deliver, PRIOR TO THE START OF ANY WORK, a Certificate of Insurance showing that the insurance as outlined is in force and that not less than sixty days notice will be given to KeySpan Corporate Services LLC prior to cancellation, termination or material alteration of said insurance. The Contractor will not be permitted to bring its employees, materials or equipment on the site until KeySpan Corporate Services LLC's Purchasing Department receives from the Contractor an acceptable Certificate of Insurance. The Certificate Holder of Insurance is KeySpan Corporation, One Metrotech Center, 22nd Floor, Brooklyn, New York 11201; Attention Risk Management Services, Brendan Cahalan, Telephone No. (718) 403-3164.

The insurance requirements as set forth are to fully protect KeySpan Corporate Services LLC from any and all claims by third parties, including employees of the Contractor or its agents, subcontractors and invitees. Said insurance, however, is in no manner to relieve or release Contractor, its agents, subcontractors, and invitees from, or to limit their liability as to any and all obligations herein assumed.

In the event that such insurance is available only on a claims-made basis, then the dates of coverage (including the retroactive date) and the time period within which any claim can be filed will be so stated on the Certificate of Insurance and the Contractor shall not permit any gaps in coverage to occur.

Contractor shall notify the Claims Department of KeySpan Corporate Services LLC, in writing, of all accidents arising out of work done under this contract or purchase order within 24 hours after the occurrence thereof. Such notice shall not relieve either party of any of its obligations under this contract or purchase order, nor be construed to be other than a mere notification.

Contractor's bond (if required) will be secured by the Contractor and KeySpan Corporate Services LLC shall be the named obligee.

C. Workers' Compensation and Employer's Liability Insurance

1. Worker's Compensation Insurance for all employees of the Contractor engaged in performing Work Services under this contract or purchase order, as required by the laws of New York and/or the State wherein the Contractor will actually perform the Work/Services.
2. Employer's liability or similar insurance, as required by statute, for damages arising from bodily injury, by accident or disease, including death at any time resulting therefrom, sustained by employees of the Contractor, while engaged in the performance of the Work/Services under this contract or purchase order.

D. Commercial General Liability Insurance including Personal Injury, Contractual, Contingent, Products/Completed Operations, Independent Contractors, Broad Form Property Damage and coverage, if applicable, for damage caused by Explosion, Collapse or structural injury and damage to Underground utilities, i.e., removal of the X, C, & U exclusions, with the following minimum limits of liability:

\$1,000,000 per occurrence Combined Single Limit
\$2,000,000 General Aggregate

1. The Contractual Liability coverage shall insure the performance of the contractual obligations assumed by the Contractor in acceptance of this contract or purchase order.

2. The Commercial General Liability policy shall include an endorsement stating the KeySpan Corporate Services LLC is an additional insured as respects operations relating to this contract or purchase order.

E. Commercial Automobile Liability Insurance with the following minimum limits of liability:

\$1,000,000 per occurrence Combined Single Limit

1. This insurance is to apply to all owned, non-owned and hired automobiles used by the Contractor or any of its subcontractors in the performance of the Services.

F. Umbrella Liability

A following form umbrella policy shall be in force with Commercial General Liability, Automobile Liability and Employer's Liability policies scheduled

Limits required: \$5,000,000 per occurrence/aggregate.

- G. Professional Liability Insurance with a limit of not less than \$1,000,000 each occurrence and aggregate. This is to provide coverage for claims arising out of the performance of professional services under this Agreement and caused by any error, omission, or negligent act for which the consultant is held liable. Consultant shall maintain this insurance for a minimum period of two (2) years after the completion of all Services.

If the Consultant is required by law, ordinance or regulation to be bonded, prior to the granting of a license to engage in a business or a permit to exercise a particular privilege, the consultant shall provide proof of such License Bond.

KEYSPAN ENERGY

SPECIFICATION M-300

REVISED July 1, 2002

GENERAL CONDITIONS

TABLE OF CONTENTS

	<u>Page No.</u>
1. SCOPE	4
2. DEFINITIONS	4
3. GENERAL CONDITIONS	6
A. Site Visits	6
B. Cooperation	6
C. Field Engineer Access	6
D. Permits	6
E. Drawings - Material Quantities	7
F. Drawings - Details	7
G. Materials Supplied by Contractor	8
H. Material Storage	8
I. Materials - Delivery	8
KeySpan Supplied Material	
Contractor Supplied Material	
J. Temporary Construction Material/Equipment	10
K. Fire Insurance	10
L. Safety/Security of Jobsite.	10
M. Damage to Public or Private Property.	11
N. Electric Service	11
O. Temporary Heat/Protection	12
P. Potable Water	12
Q. Compressed Air	12
R. Pumping Equipment	12
S. Contractor Facilities & Telephones	12
T. Jobsite Cooperation	13
U. Required Submittals	13
V. Subsurface Encumbrances	13
W. As-Built/Historical Data	13
X. Unscheduled Work	14
Y. Insurance	14
Z. Schedule of Work and Cost Breakdown	14
AA. Survey Control	14
4. LABOR	15
A. Legal Requirements	15
B. Safety	15
C. Work in Harmony	15
D. Required Staffing	15
E. Drugs/Alcohol	15
F. Parking	16
G. Personnel Accidents	16
H. Right of Removal.	16
I. Vehicle Identification.	16
5. CLEANING UP	17
6. SITE REGULATIONS	17

TABLE OF CONTENTS (cont'd)

	<u>Page No.</u>
7. PROCEDURES FOR ADMINISTRATION OF WORKSCOPE CHANGES .	17
8. FACILITY HOLD-OFFS	18
9. ASBESTOS	18
A. Asbestos Projects	18
B. Non-Asbestos Projects	18
10. HAZARD COMMUNICATIONS	19
11. SPILLS - CONTROL, CLEAN-UP AND DISPOSAL	20
12. ANTI-DRUG/ALCOHOL MISUSE REQUIREMENTS PROGRAM	21
13. WELDING	21
14. DOCUMENT REVIEW	22
15. CONSTRUCTION INSPECTION/CERTIFICATION PROGRAM	22
16. ENGINEERING SERVICES	22
17. ORDER OF PRECEDENCE	22

1. **SCOPE**

These General Conditions and the Project Specific Specifications shall cover all work to be performed or provided by the Contractor pursuant to the Contract Documents. All Work shall be performed in accordance with generally accepted professional standards associated with the particular industry, trade or discipline and be fit for the purpose for which intended. All Work shall be completed within the time specified and in accordance with the terms, conditions and provisions of the Contract or any amendments thereto. All such Work shall be subject to inspection and approval by an authorized representative of KeySpan who shall hereafter be referred to as the "Field Engineer".

2. **DEFINITIONS**

Terms not otherwise defined elsewhere in this specification are defined as follows:

Agreement - means any Corporation issued Purchase Order and/or countersigned contract.

Bid Documents - means the Notice of Solicitation, proposal form, specifications, drawings, sketches and other documents included in the Notice of Solicitation.

Construction Schedule - means a schedule submitted by the Contractor to and approved by KeySpan for completion of the work within the time limits required by the contract. The Construction Schedule shall include a breakdown of the Project tasks with required manpower requirements.

Contract Administrator - means the designated KeySpan representative responsible for interpreting and enforcing contractor compliance with technical, commercial and legal terms of the contract documents; distributing Engineering documents; evaluating contractor claims; and validating contractor invoices.

Contract Documents - means the Agreement between KeySpan and the Contractor including: general, supplementary and other conditions; drawings; specifications; Bid Documents; other documents listed in the Agreement; construction change directives to the Agreement (Work Directives and/or Purchase Order Releases).

Field Engineer - means the person designated by the Contract Administrator who is responsible for inspection and coordination of the field effort to assure Contractor compliance with schedule, technical requirements and quality.

Hot Work - means work such as welding, cutting and other processes that produce heat, sparks and temperatures above 230°F.

Jobsite - means the location where the work defined by the contract takes place.

Project Specifications - means that part of the Contract Documents consisting of written descriptions of: technical requirements, performance of the work, standards, workmanship, quality requirements, materials, equipment and construction systems.

Scope Change - means a written document prepared by the Contractor detailing a change in the work scope as defined by the contract with the amount of adjustment to the contract value approved by KeySpan.

Winter Conditions - means a period when for more than three (3) successive days the average daily temperature drops below 40° (5°C). The average daily temperature is the average of the highest and lowest temperature during the period from midnight to midnight. Winter Conditions also include: frost, moisture, or high velocity wind conditions that tend to impair the quality of the Work.

Work - means the construction efforts, shop work, services, labor, materials, equipment, and construction systems required to meet the requirements contained in the Contract Documents.

3. GENERAL CONDITIONS**A. Site Visits**

Before submitting a proposal, the Contractor shall visit and examine the Jobsite with a representative of KeySpan and become fully acquainted with existing conditions.

B. Cooperation

The Contractor shall cooperate with KeySpan at all times so that the interest of all parties concerned regarding the performance of Work at the Jobsite will be advanced.

The Contractor shall control the methods and means employed in the performance of the Work. However, both the Contractor's methods and means will be subject to the Field Engineer's approval to ensure the character and results of all features of the Work. The Contractor shall coordinate all Work with KeySpan site personnel and/or other contractors to accomplish the Work to best advantage. KeySpan reserves the right to order an increase or decrease in manpower and equipment in order to meet the Construction Schedule and maintain continuity.

C. Field Engineer Access

The Contractor shall provide the Field Engineer access to the Work at all times and shall provide the Field Engineer with every reasonable facility for the purpose of the Field Engineer's inspection. During the course of construction, and immediately prior to project completion, the Contractor shall permit the Field Engineer ample time to inspect the completed Work.

D. Permits

Unless the Contract Documents specifically provide to the contrary, KeySpan shall obtain and pay for all required building permits, road opening permits, dewatering permits, applicable environmental permits, rights-of-way and easements from Town, County, State, Federal or other authorities. The Contractor shall abide by any and all conditions and requirements that may be imposed by said permits.

The Contractor shall obtain and pay for permits for use of public highways, or other public places by the Contractor's vehicles or equipment.

The Contractor shall use extreme care to avoid encroachment on private property and shall not operate its equipment on private property without the prior written consent and approval of the property owner.

E. Drawings-Material Quantities

The drawings forming a part of the Project Specifications (the "project drawings") show dimensions, sections, reinforcing details, etc., and are intended to represent the finished Work. The quantities where shown on the project drawings are only approximate. The Contractor shall verify final necessary quantities and assume full responsibility for those quantities actually required to complete the Work. In performance of the Work, the Contractor shall supply every necessary detail to accomplish the Work in a professional manner even though such details may not be specifically described in the Project Specifications or shown on the project drawings.

F. Drawings-Details

The Contractor shall not scale the project drawings for construction purposes. The Contractor shall accept the figured dimensions in the project drawings. If the project drawings/specifications are in error or appear to be in error, lack detail, or require further explanations, the Contractor shall request the Field Engineer to clarify them, explain them or provide additional drawings as may be necessary. The Contractor shall conform to the new corrected or clarified drawings and/or specifications. In the event of any doubt or question arising with respect to true meaning of the project drawings or specifications, the Field Engineer's decisions shall be final and binding. Project drawings marked "Not Released" or "Hold" are to be used for general information only and are not to be used for construction until so noted by revision and removal of the "Not Released" or "Hold" indications. The Contractor shall be required to prepare any necessary shop drawings including all

necessary details required for the fabrication of miscellaneous steel work, reinforcing steel details, piping systems, electrical panels, etc. to be furnished by the Contractor.

G. Materials Supplied By Contractor

With the exception of the materials specifically referred to in the Project Specifications as being furnished by KeySpan or by others, the Contractor shall provide and furnish all material, labor, supervision, proper tools, rigging, scaffolding, equipment, etc., required to complete the Work covered in the Project Specification in compliance with the Legal Requirements in Section 4 of this specification.

H. Material Storage

Unless specific reference is made in the Bid Documents to KeySpan's allocation of material storage space, the Contractor shall provide all required material storage space.

The Contractor shall protect the material used in the performance of the Work from damage by the elements or otherwise until the Work is accepted by the Field Engineer.

The Contractor shall be responsible for furnishing and erecting, at no additional expense to KeySpan, any building, storehouse or suitable shelter required by the Project Specifications and good construction practice to protect materials used in performance of the Work.

The Contractor shall not store flammable material in close proximity to electric generating equipment, gas plant equipment or substation equipment.

I. Materials - Delivery

a) KeySpan Supplied Material

The Contractor shall receive and unload all KeySpan furnished materials at the delivery points specified in the Contract Documents. KeySpan shall notify the Contractor twenty-four (24) hours before delivery of any KeySpan supplied materials. The Contractor

shall provide all necessary equipment for unloading KeySpan supplied materials. If the Contractor delays the unloading of KeySpan supplied material, the Contractor shall pay all demurrage charges on transport equipment containing the material. The Contractor shall indemnify KeySpan for all damage resulting from the Contractor's unloading of the materials. Upon delivery, the Contractor shall be responsible for noting on the shipper's receipt any obvious shipping damage to materials and shall promptly notify the Field Engineer of such damage.

The Contractor shall be responsible for transporting of KeySpan supplied materials from KeySpan storage facilities to the work site.

The Contractor shall inspect all KeySpan furnished materials at the time of delivery and shall promptly submit to the Field Engineer lists or tally sheets of the materials received. The Contractor shall segregate any unacceptable material and immediately notify the Field Engineer of any deficiencies. The materials shall be deemed accepted by the Contractor unless the Field Engineer is notified to the contrary within five (5) working days of delivery to the Contractor. Upon the Contractor's acceptance of the materials, the Contractor shall protect the materials from loss or damage of any nature until the Work is completed and surplus materials are accounted for and returned to KeySpan.

All deliveries shall be scheduled with the Field Engineer at least twenty-four (24) hours before delivery and shall be made between the hours of 8:00 a.m. and 3:30 p.m. on normal work days.

b) **Contractor Supplied Material**

The Contractor shall be solely responsible for transporting Contractor furnished materials to the Jobsite. Deliveries of Contractor furnished materials and equipment shall be coordinated with the Field Engineer and shall

not interfere with continuous operations or other work in progress.

All deliveries shall be scheduled with the Field Engineer at least twenty-four (24) hours before delivery and shall be made during normal working hours.

J. Temporary Construction Material/Equipment

At a minimum, the Contractor shall utilize fire retardant lumber in and around power stations, gas plants, and substations. Class "A" fire rated building material shall be used where a possibility of high heat exposure (greater than 230°F) or contact with Hot Work of any nature exists.

Suitable nonflammable material shall be used in lieu of flammable materials whenever commercially available.

K. Fire Insurance

For projects performed entirely on KeySpan or LIPA property, KeySpan shall self-insure or obtain fire insurance coverage for the entire structure on which the Work of this Contract is to be done including items of labor and materials connected therewith, within or adjacent to the structure insured. Insurance coverage shall also be provided for materials in place or to be used as part of the permanent structure including surplus materials, shanties, protective fences, miscellaneous materials and supplies incident to the Work and such scaffoldings, stagings, towers, forms and equipment which are not owned or rented by the Contractor, the cost of which is included in the cost of the Work.

Exclusions: This insurance shall not cover any tools owned by workmen or mechanics, tools, equipment, scaffolding, staging, tower or forms owned or rented by the Contractor, the capital value of which is not included in the cost of the Work.

L. Safety/Security of Jobsite

The Contractor shall be responsible for safety at the Jobsite and shall maintain guards, signs, temporary passages, or other protection necessary for that

purpose. Jobsites left overnight on or off KeySpan property shall be made safe to the satisfaction of the Field Engineer. If any loss or damage results from theft or other cause, the Contractor shall promptly repair or replace such loss or damage at no cost to KeySpan. The Contractor, except as outlined in Paragraph "I", shall be responsible for any loss or damage to material, tools or other articles used or held for use in connection with the Work. The Work shall be carried on to completion without damage to any work or property of KeySpan or of others and without interferences with the operation of existing machinery and equipment.

The Contractor shall be liable for any damage caused by it to KeySpan property or another contractor's property.

KeySpan guard service, if available, is for the protection of the existing KeySpan facilities and KeySpan is not responsible for theft, loss, damage, etc., of or to the Contractor's materials or equipment on the Jobsite.

M. Damage to Public or Private Property

Any damage caused by the Contractor directly or indirectly to public roads and public or private property shall be the responsibility of the Contractor and KeySpan shall be held harmless and indemnified from any liability or loss arising from said damage.

N. Electric Service

Unless otherwise indicated, KeySpan shall provide reasonable amounts of electric service free of charge to the Contractor at a single location on KeySpan property if the characteristics of the Contractor's equipment do not (1) conflict with KeySpan's on site service or (2) interfere with the operation of existing machinery and equipment. The Contractor shall furnish, at no additional cost to KeySpan, all materials and labor required to connect to the electric sources. The Contractor shall install and maintain any required temporary lights, extension or leads. All Contractor furnished electric equipment shall be first quality and shall comply with all appropriate standards and codes. With the written approval of the Field Engineer, the Contractor shall furnish, at no additional cost to KeySpan, the labor and material for connecting electric service to the Contractor's shanties. All electric services shall be installed by licensed electricians.

O. Temporary Heat/Protection

The Contractor shall provide and maintain such temporary heat or protective materials as may be required to prevent freezing, to dry out any material and to permit the proper execution of the Work so that it may be completed within the time stated in the agreement. Temporary heat/protection and efforts required to comply with items generally known as "Winter Conditions" shall be provided, and included as part of the Contractor's Work.

P. Potable Water

Where readily available, the Contractor will be furnished with reasonable amounts of potable water, free of charge, at valve locations designated by the Field Engineer.

Q. Compressed Air

Unless otherwise indicated, the Contractor shall supply all the compressed air required for the Work outlined under the Project Specifications. The Contractor shall provide all equipment and operating personnel. Air compressors supplied by the Contractor shall comply with the noise and emission requirements of applicable Federal, State and Local codes.

R. Pumping Equipment

The Contractor shall furnish and operate all pumping equipment required for the conduct of the Work. Pumps supplied by the Contractor shall comply with the noise and emission requirements of the applicable Federal, State and Local codes.

S. Contractor Facilities & Telephone

The Contractor shall provide its own telephone service, supervisory offices, trades change shanties, toilet and washroom facilities. KeySpan shall approve both the type of structure and its proposed location before its installation. KeySpan approval shall be obtained for the location of any facilities, including installed telephones and the routing of lines servicing them. The structure's construction shall be such that it can readily be moved from one location to another if required by the Field Engineer, at no cost to KeySpan.

T. Jobsite Cooperation

KeySpan reserves the right to perform work with its own personnel and to let other contracts in connection with work on the Jobsite. The Contractor shall afford other Contractors and KeySpan employees reasonable opportunity for transportation and storage of their materials and the execution of their work.

The Contractor shall coordinate its Work with that of other contractors and KeySpan employees and shall at no time interfere with KeySpan's operations or the operations of other contractors on the property.

U. Required Submittals

On a daily basis, the Contractor shall provide manpower sheets for all Work performed under the contract. The manpower sheets shall detail the number of hours worked for each labor classification in the Contractor's employ.

To assure any consideration of claimed contract extras, time sheets, including lists of materials and equipment used for any Work done that is considered above and beyond contractual requirements shall be turned into the Field Engineer for approval on a daily basis. Time sheets for extra work shall not be accepted without prior authorization to perform such Work by the Field Engineer. Time sheets for disputed claims will be accepted only for the purpose of verifying time to document efforts expended. Disputed claims are subject to future negotiation subsequent to project completion.

V. Subsurface Encumbrances

For Work on or off KeySpan property which involves excavation around or adjacent to underground utilities, proper mark outs shall be obtained by the Contractor prior to the start of Work in accordance with the requirements of 16NYCRR Part 753. The contractor shall have no claims against KeySpan for the failure to obtain mark-out of underground facilities.

W. As-Built/Historical Data

The Contractor shall provide the Field Engineer with historical or as-built information if required by the Agreement. The Contractor shall keep a record of all differences between the work as shown on the contract drawings and work as completed. The Contractor shall

provide the Field Engineer with one set of final marked up prints or sketches showing the "as-built" condition. This information shall be sufficiently detailed so that the information can be incorporated in final as-built drawings. The job shall not be considered complete for payment until all as-built historical drawings are submitted and found acceptable.

X. Unscheduled Work

Unless scheduled or agreed upon prior to the award of contract, work shall not be scheduled for Sundays and Legal Holidays without at least three working days notice to the Field Engineer. Where work has been delayed by causes within the control of the Contractor, the Contractor may be required to work on premium time to meet contractual completion dates at no additional cost to KeySpan.

Y. Insurance

The Contractor shall not mobilize or perform any physical site work prior to receipt and approval of required contractor insurance certificates by KeySpan Risk Management Department.

Z. Schedule of Work and Cost Breakdown

Within ten (10) working days after award of a contract, unless specified sooner, the Contractor shall supply a detailed work schedule to KeySpan for approval. The schedule shall detail in logical sequence the work activities required to complete the work with time durations and manning levels. This schedule shall include procurement and fabrication activities.

A cost breakdown shall also be supplied to KeySpan for approval in accordance with the requirements of the Notice of Solicitation. Without an approved cost breakdown, monthly progress payment invoices will not be processed.

AA. Survey Control

KeySpan will establish and maintain site horizontal and vertical control at KeySpan facilities. All such marks and stakes must be preserved carefully by the Contractor. In case of their destruction by the Contractor or any of its employees, they will be replaced by KeySpan at the Contractor's expense. The Contractor shall be responsible for layout of his work

from the KeySpan provided horizontal and vertical control.

4. LABOR

A. Legal Requirements

At its own expense the Contractor shall comply with all Federal, State and local laws and regulations relating to safety, health, and discrimination against employees or applicants for employment, including but not to limited to:

1. 29 USC 651 et seq., Occupational Safety and Health Act of 1970, as amended.
2. New York State Department of Labor - Article 30 Laws and Industrial Code Rules.
3. 46 USC Section 3301 et seq., Maritime Safety Act (for marine work only).
4. Executive order 11246.

B. Safety

The Contractor shall comply with the "Rules For Safe Operation" manual.

C. Work In Harmony

The Contractor shall furnish labor which will work in harmony with KeySpan forces and the forces of other contractors employed by KeySpan.

D. Required Staffing

The Contractor shall furnish sufficient competent workmen to perform the Work promptly, efficiently and to the satisfaction of the Field Engineer. At all times, the Contractor shall staff the Jobsite with proper supervision. This supervision shall include a representative of the Contractor with authority to act for the Contractor.

E. Drugs/Alcohol

KeySpan's policy is to promote and maintain a work environment that is totally free from the effects of alcohol and drug abuse. Contractor employees shall report to work in a condition to perform their functions

safely and efficiently. They shall not be in possession of or under the influence of drugs or alcohol. Contractors shall immediately remove any employees from the Jobsite who are not fit to perform as required. KeySpan reserves the right in its sole discretion to request the removal of any Contractor employee who it is believed is under the influence of drugs or alcohol from a KeySpan project or job site.

F. Parking

When the Work is performed on KeySpan property, the Contractor's cars and trucks and its employees' cars shall be parked in areas expressly set aside and designated by KeySpan as parking areas. KeySpan assumes no responsibility for loss or damage to such vehicles parked on KeySpan property.

G. Personnel Accidents

The Field Engineer shall be notified as soon as is practical of any accident so as to be able to provide support and/or direction to emergency equipment summoned to KeySpan property.

The Contractor shall submit two copies of accident reports and investigations to the Field Engineer within twenty-four hours after any accident.

The Contractor shall notify the Field Engineer immediately of the presence of any OSHA and/or New York State Department of Labor Compliance Officer who arrives on site for an inspection and/or investigation. The Field Engineer shall immediately notify Corporate Safety Services of the impending inspection and/or investigation.

H. Right of Removal

KeySpan reserves the right to demand removal from the Jobsite any personnel under the employ of the Contractor whose presence is deemed undesirable, for any reason whatsoever so long as it is not contrary to Federal, State or Local law. KeySpan is not obligated to provide any reasons for such demands, nor to pay any expenses incurred by the Contractor as a result of a demand.

I. Vehicle Identification

The Contractor shall install temporary "KeySpan Contractor" signs on equipment and vehicles used on the

project when Work is performed off of KeySpan facilities and plant sites. KeySpan will provide the signs to the Contractor.

5. CLEANING UP

On a daily basis during the progress of the Work, the Contractor shall remove from the work area all debris generated by the Work and the labor employed, to the satisfaction of the Field Engineer. All debris shall be properly disposed of offsite at no additional cost to KeySpan.

6. SITE REGULATIONS

KeySpan will provide to the Contractor a set of site regulations which will cover items such as access, security, vehicle parking, general working rules, etc. The Contractor will be held responsible for ensuring that all its employees comply with these regulations. KeySpan reserves the right to add to, delete from, alter or modify the site regulations at any time.

7. PROCEDURES FOR ADMINISTRATION OF WORK SCOPE CHANGES

The Field Engineer may request the Contractor to perform other, additional, or extra work ("Extra Work") or to delete all or any part of the Work ("Deleted Work"). Extra Work or Deleted Work shall hereinafter be collectively referred to as "Changes in Work Scope." The Field Engineer shall issue all requests for Changes in Work Scope in writing to the Contractor. The Contractor shall comply with all such requests. Either the Field Engineer or the Contract Administrator shall transmit to the Contractor revisions to drawings or additional drawings depicting Changes in Work Scope.

At KeySpan's option, payment to the Contractor shall be calculated pursuant to: (1) the unit prices and formulas set forth in the Contract or (2) the time and material provision of the Contract or (3) a firm fixed price adjustment negotiated by KeySpan and the Contractor. Scope change proposals shall be addressed to the Manager, KeySpan Purchasing.

Small tools (those valued at less than \$500.00 each) are not reimbursable under the contractual time and material provisions. Small tools are considered part of the Contractor's overheads which are included in the factor applied to the labor rates.

KeySpan reserves the right to obtain bids and award any Extra Work to other contractors or to perform the Extra Work itself.

KeySpan shall neither allow nor consider claims for Extra Work unless the Extra Work was authorized or required by KeySpan's written order duly executed before the commencement of the Extra Work.

The Contractor shall submit daily time sheets and material receipts for extra work as required in Section 2T, Required Submittals for work performed under time and material provisions of the Agreement.

8. **FACILITY HOLD-OFFS**

- A. **Substation/Equipment Clearances** - With the Contractor's scheduling input, KeySpan is responsible for scheduling all outages necessary to complete the Work. The Contractor is responsible for testing of equipment for safety of personnel prior to working on or near deenergized systems.
- B. **Plant Holds-Offs** - The Contractor shall comply with all plant specific rules and procedures with regard to plant hold-offs in all operating facilities.
- C. **Electrical Circuits** - The Contractor shall not start work on normally live electrical circuits without the Field Engineer's permission.
- D. **Gas Work** - When working on live or active gas mains and services, the Contractor shall not operate or shut off valves without the Field Engineer obtaining permission from KeySpan's Gas System Operator.

9. **ASBESTOS**

A. **ASBESTOS PROJECTS**

The Contractor shall perform asbestos abatement projects in accordance with the Bid Documents, incorporated project specifications and KeySpan's ENV-3207 (Latest Revision), entitled "General Specification for the Abatement of Asbestos," as well as all applicable Federal, State and Local statutes and regulations.

B. **NON-ASBESTOS PROJECTS**

In the event that the Contractor encounters or suspects the presence of asbestos containing material (ACM) while

engaged in the performance of the Work, the Contractor shall immediately discontinue that portion of the Work in progress in the affected area, cordon off that area to restrict access and shall notify the Field Engineer of the actual or suspected presence of ACM. Following notification, KeySpan will assess the condition, and if the presence of ACM is confirmed, KeySpan will, at its option effect removal or encapsulation or direct the Contractor, if qualified, to perform such additional process, in accordance with applicable laws and regulations prior to resumption of the Work by the Contractor.

10. HAZARD COMMUNICATIONS (29 CFR Section 1910.1200)

The following provisions are in accordance with Federal law and apply to projects that require the Contractor to use hazardous chemicals (as defined in 29 CFR Section 1910.1200) and/or require Contractor personnel to be in close proximity to hazardous chemicals existing at the Jobsite.

- A. The Contractor shall maintain a Hazard Communications Program for its personnel and subcontractors. Contractors with less than ten (10) employees on the Jobsite may choose to provide KeySpan with a written statement of commitment to following the existing KeySpan program in lieu of developing their own program.
- B. Prior to bringing any hazardous chemicals onto a KeySpan Jobsite, the Contractor shall provide to the Field Engineer an inventory with Material Safety Data Sheets of all hazardous chemicals that will be brought on the Jobsite. This inventory list must be approved by KeySpan Corporate Safety Services prior to bringing any hazardous chemicals on the Jobsite. Prior to the commencement of Work, the Contractor shall provide two copies each of its written Site Safety Program and Hazardous Communications Program to the Field Engineer.
- C. KeySpan will provide the Contractor with a list of hazardous chemicals that Contractor personnel may come in contact with at the Jobsite. The Contractor will also be provided with an emergency site contact.
- D. As required by Federal, State and Local requirements, and KeySpan procedures, the Contractor shall supply its employees with personal protective equipment and enforce the use of such equipment by its employees. The Contractor shall document training of employees regarding potential hazards and acceptable protective

procedures. The Contractor shall designate one individual as its safety contact with the Field Engineer.

- E. All containers of hazardous chemicals shall be labeled or otherwise marked in accordance with the applicable Federal, State and Local requirements as to the identity of the contents. The Contractor shall not bring any containers which are unlabeled and/or whose chemical contents are unknown onto a KeySpan Jobsite. The Contractor shall not leave any containers of hazardous chemicals on Jobsites after completion of the Work. Any spillage of chemicals shall be promptly reported to the appropriate regulatory agencies and KeySpan. It is the Contractor's responsibility to properly clean up spills and dispose of any resulting hazardous waste at a properly permitted disposal facility, in accordance with the requirements of Section 11 below.
- F. Failure to comply with all Federal, State and Local requirements and KeySpan safety, environmental and health requirements may result in immediate removal of the Contractor from the Jobsite.

11. SPILLS - CONTROL, CLEAN UP AND DISPOSAL

- A. The Contractor shall be responsible for proper control, clean up and disposal of wastes resulting from the spill of any petroleum, petroleum distillate product, chemical or other toxic and/or hazardous material during the course of the Work. The Contractor shall allow only necessary types and quantities of such materials to be present at the Jobsite. Any loss or damage which occurs as a result of the spill of such materials by the Contractor, including the cost of laboratory tests, clean up and disposal at a properly permitted disposal facility, shall be at no cost to KeySpan. The Contractor's selection of a disposal facility shall be subject to KeySpan's prior written approval.
- B. The Contractor shall maintain adequate quantities of sorbent materials at the Jobsite and shall use such sorbent material to prevent or minimize to the maximum extent practical, the migration of spilled petroleum, petroleum distillate products, chemicals, or other toxic and/or hazardous materials. The Contractor shall be responsible for timely actions to minimize the impact of such spills on nearby storm drains or water bodies. The Contractor shall make notification to appropriate regulatory agencies within prescribed time limits and

promptly notify KeySpan (within one (1) hour) of any spill occurrence during the course of the Work.

- C. The Contractor's proper cleanup of spills shall include complete absorption of free or standing fluids, wiping of equipment surfaces and removal of any dirt or debris containing residual quantities of the spilled material. The Contractor shall remove sufficient dirt or debris to assure all impacted material is removed. The Contractor's clean up of spill material will be considered complete by KeySpan when residual levels of the spilled material are demonstrated to meet those levels established by appropriate regulatory agencies. The Contractor is responsible for proper packaging, transportation and disposal of the spilled material and resulting debris, including clean up waste. Where Contractor employees are utilized for the control and clean up of spills, the Contractor shall be responsible for ensuring that all applicable training requirements are satisfied and for enforcing the use of personal protection equipment.

12. ANTI-DRUG/ALCOHOL MISUSE REQUIREMENTS PROGRAM

KeySpan's Anti-Drug/Alcohol Misuse Program complies with 49 CFR Part 199, latest revision. The Contractor shall be responsible for ensuring that personnel who perform operating, maintenance, construction or emergency response functions on live gas pipelines and Liquified Natural Gas (LNG) facilities comply with Specification CMD-101, Anti-Drug/Alcohol Misuse Program Requirements (latest revision) which delineates Contractor responsibilities under KeySpan's program.

13. WELDING

Prior to the start of welding work, the Contractor shall provide welding procedures and welder qualifications to the Field Engineer. The Field Engineer shall have the right to inspect welds and call for hold points such as the inspection for fit up and root passes. KeySpan shall have the right to nondestructively test any weld. At the direction of the Field Engineer, rejected welds shall be repaired or cut out and redone at no additional cost to KeySpan.

Hot Work shall not be permitted in the vicinity of an asbestos abatement project. Hot Work shall be performed away from equipment and facilities if possible. When Hot Work must be done in and around equipment and facilities,

fire prevention measures and fire fighting equipment shall be provided by the Contractor.

14. DOCUMENT REVIEW

KeySpan's review of Contractor documents is for the sole purpose of checking for consistency with the project specifications. Design details for the proposed Work shall remain the responsibility of the Contractor. Review of Contractor design drawings, shop drawings, specifications, procedures, product documentation, etc. by KeySpan does not mitigate the Contractor's obligations under the Contract Documents. The Contractor is responsible for the performance of all Work in full accordance with the Contract Documents.

15. CONSTRUCTION INSPECTION/CERTIFICATION PROGRAM

The Construction Inspection/Certification Program exists to ensure that Work performed for KeySpan meets all requirements of the Contract Documents. This program shall be adhered to by the Contractor as required in the Contract Documents. The Field Engineer's review of the Contractor's performance/work during the construction efforts shall not release the Contractor from full responsibility for contractual performance.

16. ENGINEERING SERVICES

All professional engineering services performed by the Contractor or its subcontractors shall comply with NYS Education Law and Rules of the Board of Regents. The Contractor or its subcontractor shall maintain a valid Certificate of Authorization issued under Title VIII, Article 145, Section 7210 and provide a copy to KeySpan upon request.

17. ORDER OF PRECEDENCE

In case of conflict with this document, the project specific contract documents shall take precedence over this Specification M-300.

August 12, 2002

Scope of work

Preliminary Site Assessment at "The Far Rockaway former Manufactured Gas Plant Site" located in Far Rockaway, New York.

KeySpan Corporation (KeySpan) has executed an Order on Consent (OC) with the New York State Department of Environmental Conservation (NYSDEC) for the development and implementation of a Preliminary Site Assessment (PSA) at the Far Rockaway former Manufactured Gas Plant (MGP) site located in Far Rockaway, New York. The properties comprising the site are not currently owned by KeySpan Corporation and are currently used for non-industrial commercial purposes.

Please submit a proposal to perform a PSA at the Far Rockaway former Manufactured Gas Plant site. Specifically, your proposal should include the following elements:

1. Statement of Qualifications for your PS&S to be distributed to NYSDEC
2. Listing of all contractors, consultants and subconsultants to be affiliated with this project
3. Summary of all MGP investigation experience and references if applicable
4. A Work Plan outline¹ for the PSA based upon the attached historical information and the attached PSA requirements as specified by NYSDEC
5. A Site-Specific HASP outline¹.
6. QA/QC Plan outline¹.
7. PSA Report outline¹.
8. Task based timeline for the completion of the Work Plan, field work and submittal of report
9. Rate Schedule for all project personnel
10. All inclusive rate (equipment and operator) for any equipment to be utilized on the project.
11. Unit rates for analytical laboratory services for all applicable analytical methods and premium costs for expedited sample analysis
12. Quote for project specific tasks
 - PSA Work Plan development, comment revision and draft/final Work Plan production²
 - Field program (Field cost should include restoration to pre-work condition)
 - Report preparation and revisions, including graphics².
 - Resolution of Agency (i.e. NYSDEC, DOH) comments
 - Final Report production costs (12 Hard copies bound, 1 unbound, 5 electronic copies in pdf format on CD-Rom)

Notes:

1. Outlines should include major elements of the documents and a list of tables, figures and appendices.
2. These documents will be subject to a preliminary review by KeySpan and a final review by the New York State Department of Environmental Conservation prior to approval.

Any visits to the site or the surrounding area should be coordinated through KeySpan. KeySpan is responsible for all access agreements and contacts with property owners. If you have any technical questions concerning this work scope, please contact Ted Leissing at (516) 545-2563.

Thank you for your interest in working with KeySpan. We look forward to receiving your proposal.

Information Taken from the Initial Data Submittal
to
The New York State Department of Environmental Conservation
November 1999

Far Rockaway

Available Existing Information

Location

The Far Rockaway former MGP site is located in a densely populated, mixed commercial, residential area of the Borough of Queens, Queens County, New York (lat: 40° 36' 33"; long: -73° 45' 2"). Its elevation is approximately 25 feet MSL. It is located between Redfern Street and Unswick Street, about 1,000 feet east of Mott Basin. The topography of the site is flat. Plate 4 presents the location of the site on Long Island, a 0.5-mile radius features map, and a base map.

History and Plant Layout

This history is taken from a June 1996 document prepared for LILCO by Atlantic, titled *Historic Review of MGP Plants on Long Island*.

According to records in *Brown's Directory*, a "gas works" operated in Far Rockaway between 1900 and 1909. Thereafter, Far Rockaway was described as an "office" location. Owned in 1900 by the town of Hempstead, Queensborough Gas and Electric Company acquired ownership in 1914. All gas production attributed to Rockaway was based on the Lowe water gas process (refer to Figures 5-1 and 5-2). Sanborn Fire Insurance Maps presented in this section have been edited for clarity. Original Sanborn Maps are included in Appendix D.

No separate record of production at a Far Rockaway plant was reported in *Brown's Directory*. As presented in the available records for seven different years during the 1900 through 1909 interval, two plants could have existed. A large seasonal difference in population existed (8,000 winter; 75,000 summer). Therefore, two facilities with different gas production capacities might have been rationalized. Another reason for the lack of clarity could be that Queensborough Gas and Electric, operator of the Rockaway Beach gas plant, also operated an electric generating station at Far Rockaway.

Existing Conditions

- **Site Conditions.** Import/export warehousing and an office currently occupy the site.
- **Land Use.** The surrounding area is residential, commercial, and industrial. Single-family residences are located north and east of the site. Apartments are located west of the site. A commercial/industrial area is located south of the site.

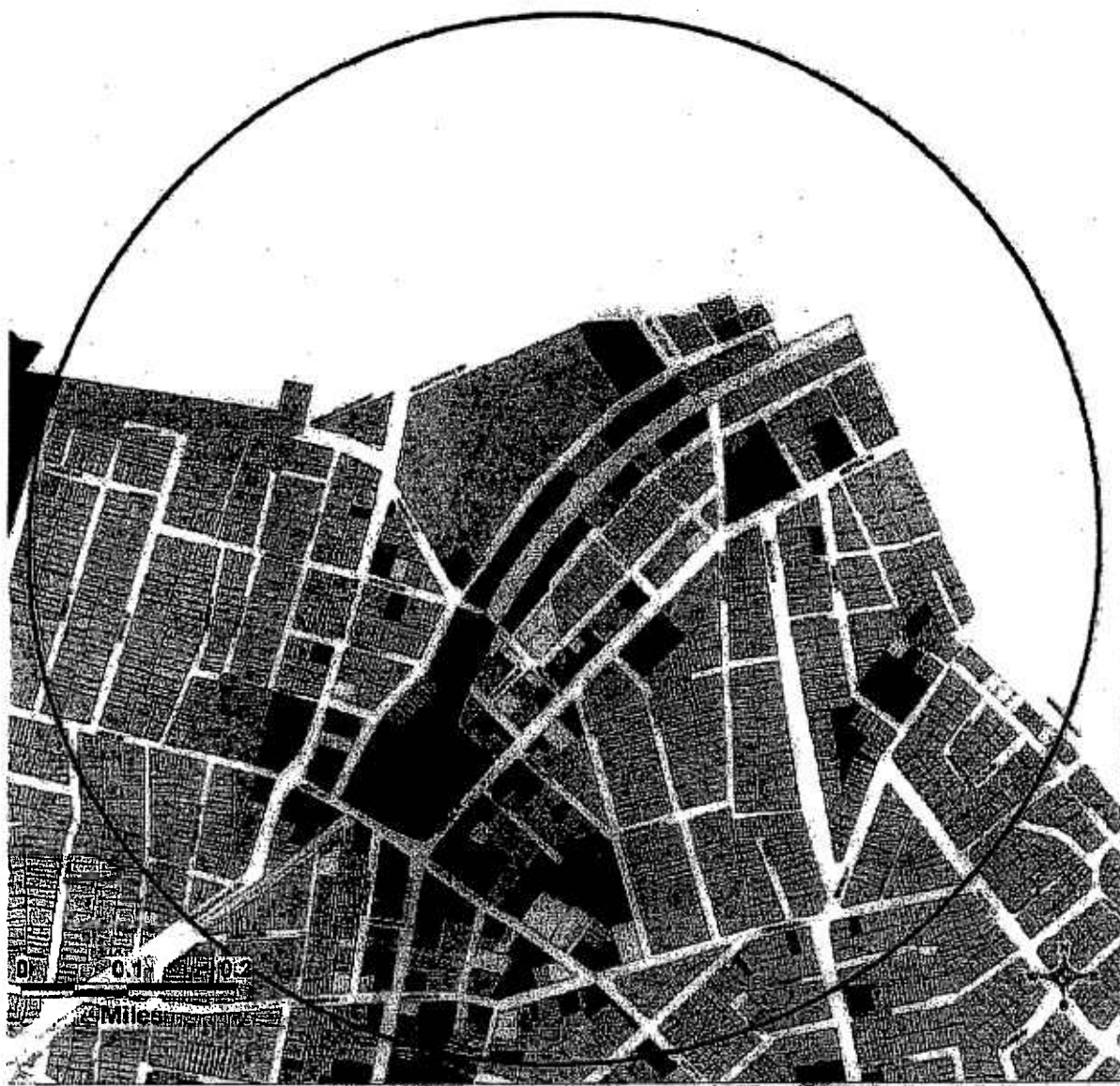
A land use analysis was performed for a 0.5-mile radius around the site (see Figure 5-3). This analysis was conducted by Space Track Inc., of New York, New York.

- **Surface Water Classification.** Surface waterbodies within 0.5 mile of the site are indicated on Plate 1. The waterbodies and their classifications within 0.5 mile and between 0.5 and 2 miles are listed in Table 5-1.

Table 5-1: Surface Water Classification – Far Rockaway, Queens, NY

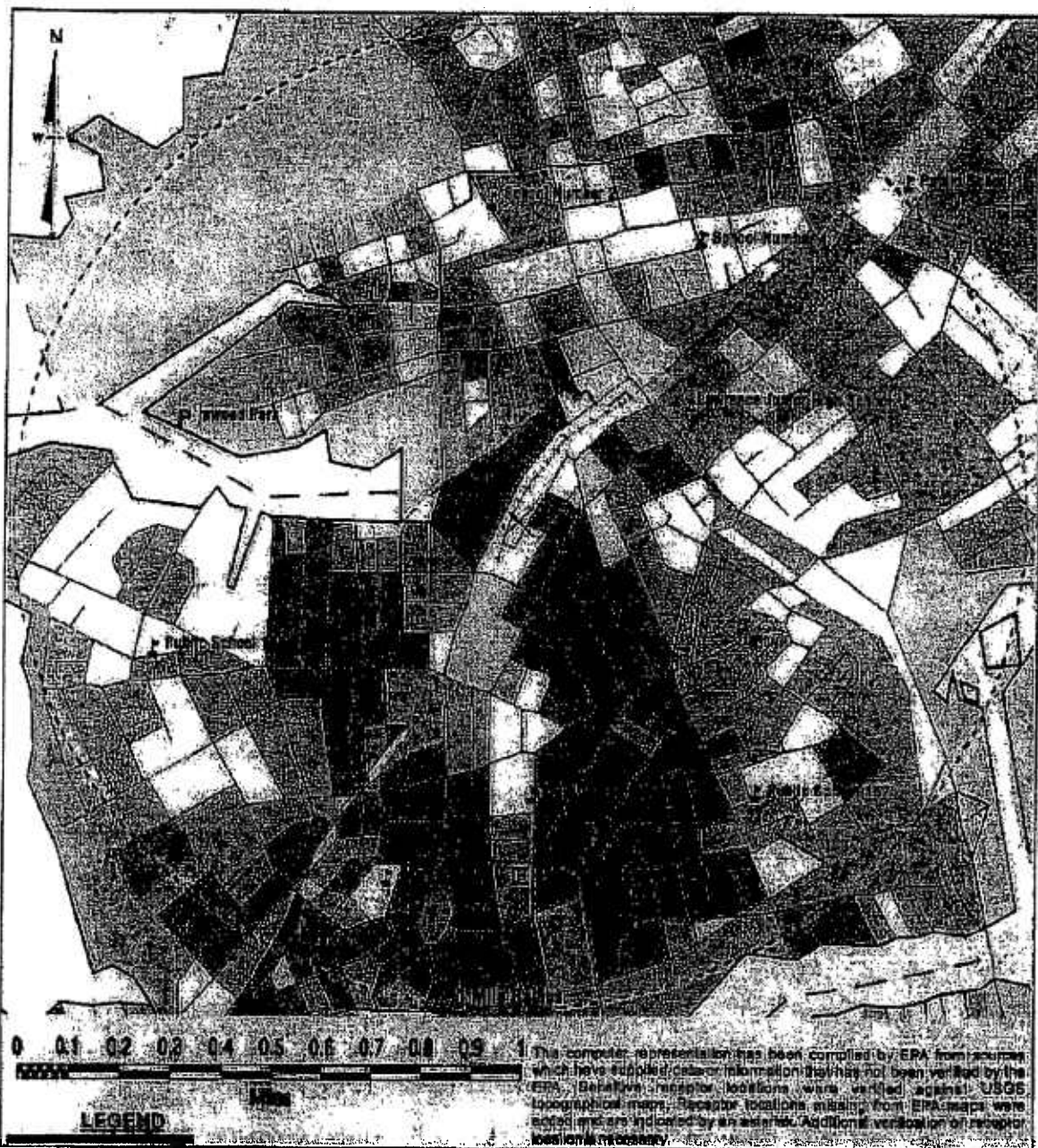
Surface Waters Within 0.5-Mile Radius	Surface Water Classification	Surface Waters Between 0.5- and 2-Mile Radius	Surface Water Classification
Mott Basin	I	Jamaica Bay	SB
-	-	Bannister Creek	I
-	-	Crooked Creek	I
-	-	East Rockaway Inlet	SB
-	-	Atlantic Ocean	SA
-	-	Thurston Basin	"C" Head to Channel; "I" Channel Itself
-	-	Sage Pond	Unlisted
-	-	Mott Basin	I
SB – Primary and secondary contact recreation and any other use except for the Taking of shellfish for market purposes. I – Secondary contact recreation and any other usage except primary contact recreation and shellfishing for market purposes. SA – Shellfishing for market purposes and primary and secondary contact recreation.			

- **Demographics and Receptors.** Demographic information and data on sensitive receptors around the site were obtained from EPA's Envirofacts database via the Internet. Figure 5-4 shows population density and sensitive receptors within 1 mile of the site. As illustrated in the figure, there are seven schools, one park, and one hospital within a 1-mile radius of the site.



Summary Land Use

- Commercial
- Community Services
- Indoor Recreation
- Indust., Warehouse & Utility
- Loft Buildings
- Other
- Outdoor Recreation
- Residential
- Vacant



- EPA SDWA System
- Hospitals
- Schools
- Parks
- State Boundary
- USGS Catalog Unit
- County Boundary

1990 Population Density Per 60 sq. mi.

Under 10	3,000-4,000
10-19	5,000-10,000
20-99	10,000-20,000
100-1,000	Over 20,000
1,000-3,000	

The total population of this 1-mile radius is about 44,100 and there are about 14,350 households. The average population density per square mile is approximately 14,000. According to the EPA, the following ethnic breakdown can be found within a 1-mile radius of the site.

White	37.1%
Black	39.9%
Hispanic	20.7%
Asian/Pacific Islander	1.7%
Other	0.6%

- **Climate/Meteorology.** The New York City metropolitan area is influenced by a variety of different air masses. These combine to broadly represent a humid continental climate type. Cold, dry air masses frequently arrive from the north; prevailing winds from the south transport warm and humid air into the area; and wind from the Atlantic Ocean brings in cool, cloudy, damp weather conditions.

Climatological data collected at the John F. Kennedy Airport Climatological Station by the Northeast Regional Climate Center indicate the following patterns in temperature, precipitation, and wind, which can be considered representative of conditions at the site.

- **Temperature.** Mean temperatures at the site range from 32°F in January to 76°F in July. The mean annual temperature at the site is 54°F.
- **Precipitation.** Mean precipitation for the year is 42 inches. Precipitation is relatively evenly distributed throughout the year; however, the greatest precipitation occurs in May, with a mean precipitation of 4 inches.
- **Wind.** The prevailing wind direction is from the west and south. Average wind speed is 11 mph. Average wind speeds tend to be highest from November through April (approximately 12 mph) and lowest from May to October (9 to 10 mph).

Future Site Plans

The site is expected to remain in its current state.

Ownership

The first cited production of gas in Rockaway was by Hempstead Gas and Electric Light Company (Table 5-2) at the then named Rockaway Beach works (later Rockaway Park) in Block 16166. Two gas works were reported for Rockaway

between 1900 and 1909: the Rockaway Beach works and the Far Rockaway works. Both were operated by Hempstead Gas & Electric Light Company until ownership of Rockaway operations shifted to Queensborough Gas and Electric Company in 1902. Queensborough Electric, Light & Power and Town of Hempstead Gas & Electric Company consolidated then. LILCO acquired control of Queensborough Gas and Electric during 1923 by stock purchase, according to *Brown's Directory*.

Table 5-2: Record of Ownership – Far Rockaway Manufactured Gas Plant

Record of Ownership	
Directory Years	Ownership
No record 1887 to 1892	-
1893 – 1900	Town of Hempstead Gas & Electric Light Company
1901 – 1903 Not Available	-
1904 – 1909	Queensborough Gas & Electric Company

Source: "Brown's Directory of American Gas Companies"

With the record for 1909, Queensborough Gas and Electric identified only one gas works: Rockaway Park (the formerly named Rockaway Beach plant). This facility was the only one for which production was reported for the remainder of the record (through 1959).

Service Area

The early service area for Rockaway gas production was larger in area than later years. Queens County included Hempstead before the formation of Nassau County. Due to the connection with Hempstead, increased production of the Hempstead (Intersection Road) plant allowed coverage in Nassau County. Increasing population and development in the Rockaway area resulted in the focus of continuing service from the Rockaway Park plant there.

Production

The limited size and duration of operation in Far Rockaway had little impact on overall production. No statistical information on the Far Rockaway plant was provided in *Brown's Directory* after 1959.

By-Products

No data on by-products were provided for these plants during the period the Far Rockaway plant operated.

Source Area Definition

One of the assessments that will be required under the OC and as stipulated in the NCP (40 CFR 300.430[d](2)) involves the identification and characterization of the source(s) of waste and/or chemical constituents. There are no waste sources typical of an MGP remaining above ground level at the site. The current site occupant is an import/export warehouse and office. The structures sit atop the former MGP site. Regarding the potential underground or covered structures, or disposal areas, there is no information confirming or denying their existence or potential to act as sources. The site is paved and covered by a building. Source areas, if they exist, would be in the subsurface.

Environmental Data Resources, Inc. (EDR) Searches

EDR database searches were performed for the Far Rockaway site. Specific searches include: GeoCheck (ASTM 1527-97 radius search); off-site receptor report; NEPA report; Sanborn maps; historic aerial photographs; and historic topographic maps. The EDR search for Far Rockaway is included in Appendix D.

Note: The initial EDR Report does not accurately depict the site location.

4.5 Far Rockaway

Brown's Directory notes the existence of a second gas plant in Rockaway between 1900 and 1909. The information occurs in the entry for Rockaway Park; no site-specific data are available from that source. The information on ownership, process, production, and service area for Far Rockaway is the same as for Rockaway Park. The Far Rockaway plant was located in Block 15548. No data on by-products were provided for these plants during the period the Far Rockaway plant operated. The 1901 Sanborn map (Figure 4-14) shows the gas plant to be operational; the 1912 Sanborn map (Figure 4-15) indicates it is "little used."

A facility, including a gas holder, gas generator, purifier, and coal storage structures, was located between Crescent Avenue and the Rockaway Branch of the Long Island Railroad, near Seneca Street according to maps (Belcher-Hyde, Brooklyn, NY) dated 1901, 1907, and 1912. Currently, the streets that intersect at the northeast corner of the site are Brunswick Avenue and Beach 12th Street.

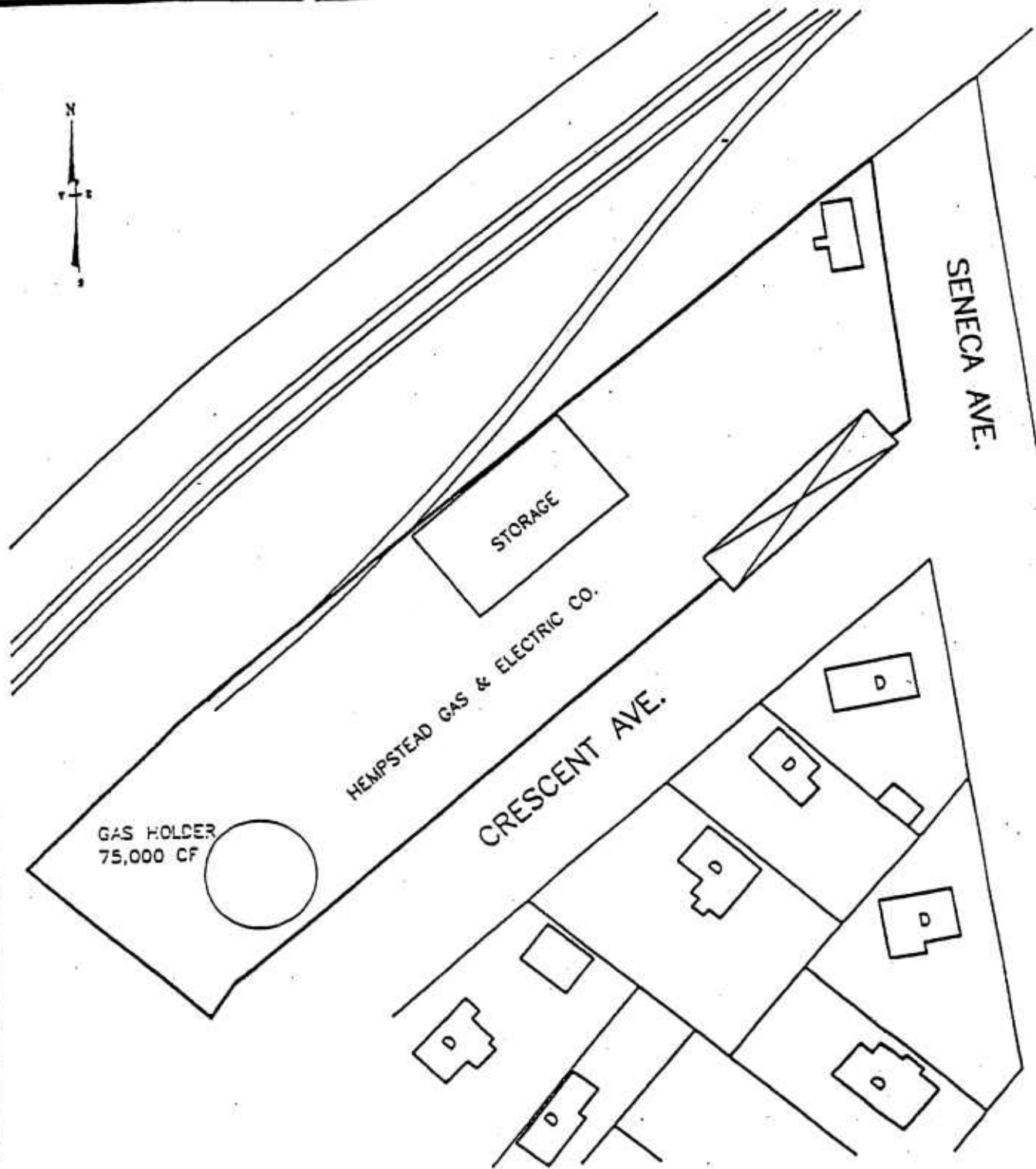


FIGURE 4-15
1912 SANBORN
FIRE INSURANCE MAP
FORMER FAR ROCKAWAY MGP SITE
FAR ROCKAWAY, NEW YORK

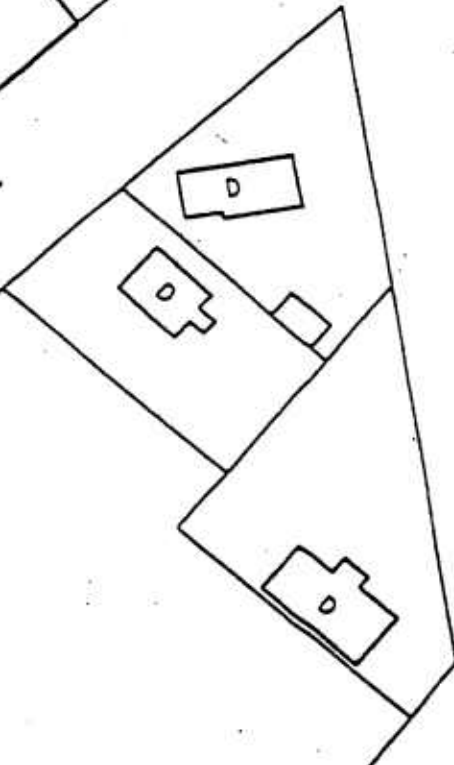
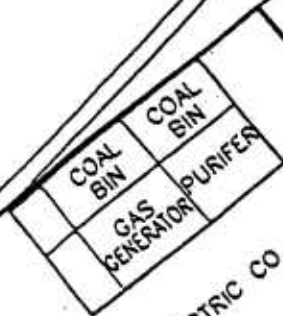
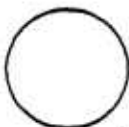


SENECA AVE.

HEMPSTEAD GAS & ELECTRIC CO.

CRESCENT AVE.

GASOMETER
75,000 CF



GRAPHIC SCALE IN FEET

FIGURE 4-14
1901 SANBORN
FIRE INSURANCE MAP

FORMER FAR ROCKAWAY MGP SITE
FAR ROCKAWAY, NEW YORK

Preliminary Site Assessment Requirements
For
Far Rockaway Former MGP Site, Far Rockaway, New York
Order on Consent

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

DEFINITIONS

For purposes of this Order,

- A. "Commissioner" means the Commissioner of Environmental Conservation of the State of New York.
- B. "Department" means the New York State Department of Environmental Conservation.
- C. "ECL" means the Environmental Conservation Law of the State of New York.
- D. "Hazardous materials" means hazardous wastes; hazardous substances as that term is defined in 42 U.S.C. 9601(14) that are in violation of law or that exceed State environmental quality standards (as, those set forth in 6 NYCRR Part 703); MGP Residuals; and petroleum-based substances.
- E. "Hazardous waste" means hazardous waste as ECL 27-1301 defines that term.
- F. "IRM" means an Interim Remedial Measure, which is a discrete set of activities to address both emergency and non-emergency Site conditions, which can be undertaken without extensive investigation and evaluation, to prevent, mitigate, or remedy environmental damage or the consequences of environmental damage attributable to the Site.
- G. "LILCO" is the former Long Island Lighting Company.
- H. "MGP" means manufactured gas plant.
- I. "MGP Residuals" means coal/coke ash, coal tar, purifier waste, or petroleum-based

residues and other substances associated with MGP operations, including hazardous wastes as ECL 27-1301 defines that term, that MGP facilities formerly operating on the Site generated.

J. "Professional engineer": an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law. If such individual is a member of a firm, that firm must be authorized to offer professional engineering services in the State of New York in accordance with Article 145 of the New York State Education Law.

K. "Respondent" means KeySpan Gas East Corporation, a business corporation organized under the laws of the State of New York. Respondent is the business entity formed from the merger of LILCO and The Brooklyn Union Gas Company.

WHEREAS,

1. A. The Department is responsible for the enforcement of and has authority to investigate inactive hazardous waste disposal sites pursuant to ECL Article 27, Title 13 and other areas of suspected contamination under other provisions of the ECL, including ECL 3-

B. The Department's general authority over abatement and remediation of, *inter alia*, hazardous materials, is derived from statutory provisions, including, but not limited to, ECL 1-0101, 3-0301, 71-1929, 71-2703, and 71-2705 and Navigation Law, Article 12.

C. In addition, the Department has the power, *inter alia*, to provide for the prevention and abatement of water, land, and air pollution.

2. A. By operation of merger, Respondent has come to acquire the responsibility, if any, LILCO had respecting the investigation and remediation of the Sites.

B. None of the Sites has active MGP facilities on them but some or all of those facilities generated, *inter alia*, MGP Residuals, which may have come to be disposed of at one or more of the Sites. Other hazardous materials also may have been disposed at each of the Sites, resulting from each Site's use after MGP operations ceased.

3. The Department has determined that hazardous materials that may have been disposed of at each of the Sites may constitute a significant threat to the environment. As a good corporate citizen, Respondent has agreed to conduct a preliminary assessment of each of the Sites to determine whether, in fact, there is a likelihood that contamination by hazardous materials, including MGP Residuals, existing at any of the Sites constitutes a significant threat to the environment. Accordingly, the Department and Respondent agree that the goals of this Order are (i) the development and implementation of a Preliminary Site Assessment ("PSA") by which Respondent will gather data to enable the Department to characterize hazardous materials which are or may be present at each of the Sites and to enable the Department to determine whether such hazardous materials may constitute a significant threat to public health or the environment necessitating further investigation and possible remediation; and (ii) the reimbursement of the State's administrative costs.

4. Respondent, having waived its right to a hearing herein as provided by law, and having consented to the issuance and entry of this Order, agrees to be bound by its terms. Respondent consents to and agrees not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and agrees not to contest the validity of this Order or its terms.

NOW, having considered this matter and being duly advised, IT IS ORDERED THAT:

I. Initial Submittals

Within 30 days after the effective date of this Order, Respondent shall submit to the Department all data within Respondent's possession or control regarding environmental conditions respecting each of the Sites, on-Site and off-Site, and other information described

below, unless the Department informs Respondent that such data have previously been provided to the Department. The data and other information shall include:

A. A brief history and description of each of the Sites, including the types, quantities, physical state, location, and dates of disposal of hazardous waste including methods of disposal and spillage of such wastes;

B. A concise summary of information held by Respondent and Respondent's attorneys and consultants, to the extent that the information is not privileged, with respect to all persons responsible for such disposal of hazardous materials, including but not limited to names, addresses, dates of disposal and any proof linking each such person responsible with hazardous materials identified pursuant to Subparagraph I.A.; and

C. A comprehensive list and copies of all existing relevant reports with titles, authors, and subject matter, as well as a description of the results of all previous investigations of each of the Sites and areas in the vicinity of each of the Sites, including copies of all available topographic and property surveys, engineering studies and aerial photographs.

II. Preliminary Site Assessment Contents and Submittals

A. After reviewing Respondent's initial submittals described in Paragraph I of this Order, the Department shall notify Respondent whether or not the initial submittals pertaining to any of the Sites are sufficient to comprise a PSA for that Site. If the Department notifies Respondent that the initial submittals for a Site comprises a PSA for that Site, Respondent's obligations under this Order for that Site shall be completed. For Sites that the Department determines needs additional assessment (the "Remaining Sites"), Respondent shall submit a schedule for the implementation of PSAs, as set forth in Subparagraph II.B of this Order.

B. 1. Within 30 days after the Department notifies Respondent whether the initial submittals pertaining to a Site are sufficient to comprise a PSA for that Site, Respondent shall submit to the Department a schedule for the implementation of Preliminary Site Assessments for the Remaining Sites, which schedule shall provide that the PSA Report pertaining to the PSA for the last of the Remaining Sites to be investigated under such schedule shall be submitted to the Department no later than 40 months after the effective date of this Order, and a detailed workplan for the implementation of a Preliminary Site Assessment (a "PSA Work Plan") for one of the Remaining Sites. PSA Workplans for the other Remaining Sites shall be submitted pursuant to such schedule.

2. Each PSA Work Plan shall describe the methods and procedures to be used in implementing a PSA.

C. 1. Each PSA Work Plan shall include, but not be limited to, the following:

a. A chronological description of the anticipated PSA activities together with a schedule for the performance of these activities.

b. A Sampling and Analysis Plan that shall include:

(i) A quality assurance project plan that describes the quality assurance and quality control protocols necessary to achieve the initial data quality objectives. This plan shall designate a data validation expert and must describe such individual's qualifications and experience.

(ii) A field sampling plan that defines sampling and data gathering methods in a manner consistent with the "Compendium of Superfund Field Operations Method" (EPA/540/P-87/001, OSWER Directive 9355.0-14, December 1987) as supplemented by the Department.

c. A health and safety plan to protect persons at and in the vicinity of each of the Sites during the performance of the PSA which shall be prepared in accordance with 29 CFR 1910 and all other applicable standards by a certified health and safety professional. Supplemental items shall be added to this plan by Respondent as necessary to ensure the health and safety of all persons at or in the vicinity of each of the Sites during the performance of any work pursuant to this Order.

2. Each PSA Work Plan also shall satisfy the requirements for Phase II investigations identified in Division of Environmental Remediation Technical and Administrative Guidance Memoranda 4007 and 4008 and other appropriate Department technical and administrative guidelines that shall have been developed as of the time of submission of the PSA Work Plan.

III. Performance and Reporting of PSA

A. In accordance with the schedule contained in a Department-approved PSA Work Plan for each of the Remaining Sites, Respondent shall commence a PSA.

B. Respondent shall perform each PSA in accordance with the Department-approved PSA Work Plan for each of the Remaining Sites.

C. During the performance of any PSA field work, Respondent shall have on-Site a full-time representative who is qualified to supervise the work done.

D. For each of the Remaining Sites, Respondent shall prepare a PSA Report that shall:

1. include all data generated and all other information obtained during the

PSA;

2. provide all of the assessments and evaluations set forth in the guidance documents referred to in Subparagraph II.B.2;
3. identify any additional data that must be collected; and
4. include a certification by the individual or firm with primary responsibility for the day to day performance of the PSA for a Remaining Site that all activities that comprised the PSA were performed in full accordance with the approved PSA Work Plan for that Remaining Site.

IV. Progress Reports

Respondent shall submit to the parties identified in Subparagraph XI.B in the numbers specified therein copies of written monthly progress reports that:

- A. describe the actions which have been taken toward achieving compliance with this Order during the previous month;
- B. include all results of sampling and tests and all other data received or generated by Respondent or Respondent's contractors or agents in the previous month, including quality assurance/quality control information, whether conducted pursuant to this Order or conducted independently by Respondent;
- C. identify all work plans, reports, and other deliverables required by this Order that were completed and submitted during the previous month;
- D. describe all actions, including, but not limited to, data collection and implementation of work plans, that are scheduled for the next month and provide other information relating to the progress at each of the Sites;
- E. include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of Respondent's obligations under the Order, and efforts made to mitigate those delays or anticipated delays; and
- F. include any modifications to any work plans that Respondent has proposed to the Department or that the Department has approved.

V. Review of Submittals

- A. 1. The Department shall review each of the submittals Respondent makes

pursuant to this Order to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal was done, in accordance with this Order and generally accepted technical and scientific principles. The Department shall notify Respondent in writing of its approval or disapproval of the submittal, except for the submittals discussed in Subparagraph II.D.1.c. All Department-approved submittals shall be incorporated into and become an enforceable part of this Order.

2. a. If the Department disapproves a submittal, it shall so notify Respondent in writing and shall specify the reasons for its disapproval. Within 15 days after receiving written notice that Respondent's submittal has been disapproved, Respondent shall make a revised submittal to the Department that addresses and resolves all of the Department's stated reasons for disapproving the first submittal.

b. After receipt of the revised submittal, the Department shall notify Respondent in writing of its approval or disapproval. If the Department disapproves the revised submittal, Respondent shall have the option, within 30 days following said disapproval, to invoke the Dispute Resolution provisions set forth in Paragraph XII of this Order. If Respondent does not so invoke such Dispute Resolution provisions, then Respondent shall be in violation of this Order and the Department may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order.

B. Respondent shall modify and/or amplify and expand a submittal upon the Department's direction to do so if the Department determines, as a result of reviewing data generated by an activity required under this Order or as a result of reviewing any other data or facts, that further work is necessary.

VI. Penalties

A. Respondent's failure to comply with any term of this Order constitutes a violation of this Order and the ECL. Nothing in this Order precludes Respondent from contesting in a Department hearing any possible future Department allegations that Respondent failed to comply with this Order or from contesting any penalty for an alleged failure to comply.

B. Respondent shall not suffer any penalty under this Order or be subject to any proceeding or action if it cannot comply with any requirement hereof because of war, riot, or an unforeseeable event which the exercise of ordinary human prudence could not have prevented. Respondent shall, within five days of when it obtains knowledge of any such condition, notify the Department in writing. Respondent shall include in such notice the measures taken and to be taken by Respondent to prevent or minimize any delays and shall request an appropriate extension or modification of this Order. Failure to give such notice within such five-day period constitutes a waiver of any claim that a delay is not subject to penalties. Respondent shall have

the burden of proving that an event is a defense to compliance with this Order pursuant to this Subparagraph VI.B.

C. It is understood by the Department that Respondent does not currently own one or more of the Sites. For those Sites that Respondent does not currently own, Respondent shall not be in violation of this Order if, after reasonable attempts are made, Respondent is unable to timely perform any of its obligations under this Order due to an inability to obtain access to a Site. If Respondent is unable to obtain reasonable access to a Site, the Department agrees that it may assist Respondent in obtaining such access, if Respondent shall request such assistance.

VII. Entry upon Site

Subject to conditions which may be prescribed in a Site's health and safety plan, and the permission of the current landowner for any Site not owned, as of the effective date of this Order, by Respondent, Respondent hereby consents to the entry upon each of the Sites or areas in the vicinity of each Site which may be under the control of Respondent by any duly designated employee, consultant, contractor, or agent of the Department or any State agency having jurisdiction with respect to the matters addressed in the Work Plan for purposes of inspection, sampling, and testing and to ensure Respondent's compliance with this Order.

VIII. Payment of State Costs

Within 30 days after receipt of an itemized invoice from the Department, Respondent shall pay to the Department a sum of money which shall represent reimbursement for the State's expenses including, but not limited to, direct labor, fringe benefits, indirect costs, travel, analytical costs, and contractor costs incurred by the State of New York for work related to each of the Sites to the effective date of this Order, as well as for reviewing and revising submittals made pursuant to this Order, overseeing activities conducted pursuant to this Order, collecting and analyzing samples, and administrative costs associated with this Order. Such payment shall be made by certified check payable to the Department of Environmental Conservation and shall be sent to:

Bureau of Program Management
Division of Environmental Remediation
New York State Department of Environmental Conservation
50 Wolf Road
Albany, NY 12233-7010.

Personal service costs shall be documented by reports of Direct Personal Service, which shall identify the employee name, title, biweekly salary, and time spent (in hours) on the project during the billing period, as identified by an assigned time and activity code. Approved agency fringe benefit and indirect cost rates shall be applied. Non-personal service costs shall

be summarized by category of expense (e.g., supplies, materials, travel, contractual) and shall be documented by expenditure reports.

IX. Reservations of Rights

A. Nothing contained in this Order shall be construed as barring, diminishing, adjudicating, or in any way affecting any of the Department's rights (including, but not limited to, nor exemplified by, the right to recover natural resources damages) with respect to any party, including Respondent.

B. Nothing contained in this Order shall prejudice any rights of the Department to take any investigatory or remedial action it may deem necessary; however, except in the case of an emergency situation, the Department agrees not to initiate any PSA for any of the Sites so long as Respondent is in compliance with this Order.

C. Nothing contained in this Order shall be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers.

D. Nothing contained in this Order shall be construed to affect the Department's right to terminate this Order at any time during its implementation if Respondent fails to comply substantially with this Order's terms and conditions.

E. Except as otherwise provided in this Order, Respondent specifically reserves all defenses Respondent may have under applicable law respecting any Departmental assertion of remedial liability against Respondent; and reserves all rights Respondent may have respecting the enforcement of this Order, including the rights to notice, to be heard, to appeal, and to any other due process. The existence of this Order or Respondent's compliance with this Order shall not be construed as an admission of liability, fault, or wrongdoing by Respondent, and shall not give rise to any presumption of law or finding of fact which shall inure to the benefit of any third party.

X. Indemnification

Respondent shall indemnify and hold the Department, the State of New York, and their representatives and employees harmless for all claims, suits, actions, damages, and costs of every name and description arising out of or resulting from the fulfillment or attempted fulfillment of this Order by Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns; provided, however, that Respondent shall not indemnify the Department, the State of New York, and their representatives and employees in the event that such claim, suit, action, damages, or cost relate to or arise from any unlawful, willful, grossly negligent, or malicious acts or omissions on the part of the Department, the State of New York, or their representatives and employees.

Mr. Lawrence H. Liebs
Managing Director
KeySpan Gas East Corporation
One Metro Tech Center
Brooklyn, New York 11201

with copies to:

Steven L. Zelkowitz, Esq.
Deputy General Counsel
KeySpan ~~Gas East~~ Corporation
One Metro Tech Center
Brooklyn, New York 11201

and to

Dennis P. Harkawik, Esq.
Jaecle Fleischmann & Mugal, LLP
700 Fleet Bank Building
Twelve Fountain Plaza
Buffalo, New York 14202

B. Copies of work plans and reports shall be submitted as follows:

Four copies (one unbound) to Mr. Barcomb

Two copies to the Director, Bureau of Environmental Exposure Investigation

One copy to Mr. Cowen.

C. Within 30 days of the Department's approval of any report submitted pursuant to this Order, Respondent shall submit to Director, Division of Environmental Remediation, a computer readable magnetic media copy of the approved report in American Standard Code for Information Interchange (ASCII) format.

D. The Department and Respondent reserve the right to designate additional or different addressees for communication or written notice to the other.

XII. Dispute Resolution

A. If after conferring in good faith for a period not to exceed 30 days, there remains a dispute between Respondent and the Department concerning a provision of this Order identified as subject to this Paragraph XII's procedures, Respondent shall be in violation of that provision

unless within the time period provided in that provision Respondent shall serve on the Department a request for an appointment of an Administrative Law Judge ("ALJ"), and a written statement of the issues in dispute, the relevant facts upon which the dispute is based, and factual data, analysis, or opinion supporting its position, and all supporting documentation on which Respondent relies (hereinafter called the "Statement of Position"). The Department shall serve upon Respondent its Statement of Position, including supporting documentation no later than ten (10) business days after receipt of Respondent's Statement of Position. Respondent shall have five (5) business days after receipt of the Department's Statement of Position within which to serve upon the Department a reply to the Department's Statement of Position, and in the event Respondent serves such a reply, the Department shall have five (5) business days after receipt of Respondent's reply to the Department's Statement of Position within which to serve upon Respondent the Department's reply to Respondent's reply to the Department's Statement of Position. In the event that the periods for exchange of Statements of Position and replies may cause a delay in the work being performed under this Order, the time periods may be shortened upon and in accordance with notice by the Department as agreed to by Respondent.

B. The Department shall maintain an administrative record of any dispute being addressed under this Paragraph XII. The record shall include the Statement of Position of each party served pursuant to Subparagraph XII.A and any relevant information. The record shall be available for review of all parties and the public.

C. Upon review of the administrative record as developed pursuant to this Paragraph XII, the ALJ shall issue a final decision and order resolving the dispute. If the matter in dispute concerns a submittal,

1. Respondent shall revise the submittal in accordance with the Department's specific comments, as may be modified by the ALJ and except for those which have been withdrawn by the ALJ, and shall submit a revised submittal. The period of time within which the submittal must be revised as specified by the Department in its notice of disapproval shall control unless the ALJ revises the time frame in the ALJ's final decision and order resolving the dispute.

2. After receipt of the revised submittal, the Department shall notify Respondent in writing of its approval or disapproval of the revised submittal.

3. If the revised submittal fails to address the Department's specific comments, as may be modified by the ALJ, and the Department disapproves the revised submittal for this reason, Respondent shall be in violation of this Order and the ECL.

D. In review by the ALJ of any dispute pursued under this Paragraph XII, Respondent shall have the burden of proving by a preponderance of the evidence that the Department's position should not prevail.

E. A deadline involving any matter that is the subject of the dispute resolution

process described in this Paragraph XII shall be held in abeyance while it is the subject of the dispute resolution process unless the Department and Respondent otherwise agree in writing. The invocation of the procedures stated in this Subparagraph shall constitute an election of administrative remedies by Respondent, and such election of this remedy shall constitute a waiver of any and all other administrative remedies which may otherwise be available to Respondent regarding the issue in dispute.

XIII. Miscellaneous

A. 1. All activities and submittals required by this Order shall address both on-Site and off-Site contamination resulting from the disposal of hazardous materials at the Site.

2. All activities Respondent is required to undertake under this Order are ordinary and necessary expenses for the continued operation of Respondent.

3. All activities and payments required by this Order are necessary to protect the public health or welfare or the environment and are in the public interest.

B. Respondent shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel, and third party data validators acceptable to the Department to perform the technical, engineering, and analytical obligations required by this Order. Respondent shall submit to the Department a summary of the experience, capabilities, and qualifications of the firms or individuals. Respondent must obtain the Department's approval of these firms or individuals before the initiation of any activities for which Respondent and such firms or individuals will be responsible. The responsibility for the performance of the professionals retained by Respondent shall rest solely with Respondent. The Department understands and agrees that any professional consultants, contractors, laboratories, and quality assurance/quality control personnel not employees of Respondent ("outside consultants") may not alter Respondent's obligations under this Order nor modify this Order.

C. The Department shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Respondent, and the Department also shall have the right to take its own samples. Respondent have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by the Department. Respondent and the Department shall make available to each other the results of all sampling and/or tests or other data generated with respect to implementation of this Order and shall submit these results in the progress reports required by this Order (in the case of Respondent, in the progress reports required by this Order).

D. If feasible, Respondent shall notify the Department at least ten business days in advance of any field activities to be conducted pursuant to this Order. If ten business days' advance notice is not feasible, Respondent shall provide as much advance notice to the Department as is practical under the circumstances. The Department's project manager is hereby

authorized to approve any modification to an activity to be conducted under a Department-approved work plan in order to adapt the activities to be undertaken under such work plan to the conditions actually encountered in the field provided that such modification does not impair the effectiveness of the investigation or potential remediation of the Site's contamination.

E. Respondent shall obtain all permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations necessary to perform Respondent's obligations under this Order. If Respondent is unable, after exhaustion of such reasonable efforts, to obtain any such permissions, the Department will exercise whatever authority is available to it, in its discretion, to obtain same. In no event will Respondent be determined to be in violation of this Order if it fails to obtain any such permissions after exhausting reasonable efforts to obtain same. This is in recognition of the fact that Respondent is not the present owner of any of the Sites and that significant impediments may, therefore, be encountered as to Respondent's ability to obtain Site access.

F. Respondent and Respondent's officers, directors, agents, servants, employees, successors, and assigns shall be bound by this Order. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall in no way alter Respondent's responsibilities under this Order. Respondent's officers, directors, employees, servants, and agents shall be obliged to comply with the relevant provisions of this Order in the performance of their designated duties on behalf of Respondent.

G. Respondent shall provide a copy of this Order to each contractor hired to perform work required by this Order and to each person representing Respondent with respect to the Site and shall condition all contracts entered into in order to carry out the obligations identified in this Order upon performance in conformity with the terms of this Order. Respondent or Respondent's contractors shall provide written notice of this Order to all subcontractors hired to perform any portion of the work required by this Order. Respondent shall nonetheless be responsible for ensuring that Respondent's contractors and subcontractors perform the work in satisfaction of the requirements of this Order.

H. The paragraph headings set forth in this Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Order.

I. 1. No term, condition, understanding, or agreement purporting to modify or vary any term of this Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the Department regarding any report, proposal, plan, specification, schedule, or any other submittal shall be construed as relieving Respondent of Respondent's obligation to obtain such formal approvals as may be required by this Order.

2. If Respondent desires that any provision of this Order be changed,

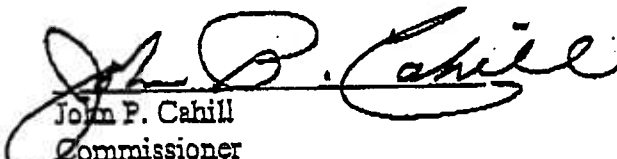
Respondent shall make timely written application, signed by Respondent, to the Commissioner setting forth reasonable grounds for the relief sought. Copies of such written application shall be delivered or mailed to Mr. Barcomb and to Mr. Sullivan.

J. The effective date of this Order is the date the Commissioner or his designee signs it.

DATED: 9/30/99

New York State Department of Environmental Conservation

By:


John P. Cahill
Commissioner

CONSENT BY RESPONDENT

Respondent hereby waives its right to a hearing herein as provided by law; consents to the issuance and entry of this Order; and agrees to be bound by its terms, not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and not to contest the validity of this Order or its terms.

KEYSPAN GAS EAST CORPORATION

By:

Date signed:

STATE OF NEW YORK)

ss.

COUNTY OF KINGS)

On this 16th day of AUGUST, 1999, before me personally appeared ANTHONY T. DYRETTA, to me known, who, being duly sworn, did depose and say that he resides in NASSAU COUNTY; that he is Senior Vice President of KeySpan Corporation; that he is authorized by KeySpan Gas East Corporation to execute the foregoing instrument on its behalf; and that he executed the foregoing instrument on behalf of KeySpan Corporation.

Bibi A. Ali

Notary Public State of New York

Registration Number: 01AL490928

My Commission Expires: 1/21/2000

BIBI A. ALI
Notary Public, State of New York
No. 01AL490928
Certificate Filed in Queens County
Commission Expires January 21, 2000

KEYSPAN CORPORATE SERVICES LLC's

TERMS AND CONDITIONS

August 2000

TABLE OF CONTENTS

	<u>Article</u>
General.....	1
Definitions.....	2
Contract Administrator's Instructions and KeySpan	
Corporate Services LLC Contracts	3
Inspection.....	4
Payment.....	5
Omission To Point Out Errors, Variations and Defects	
Not to Relieve Vendor.....	6
Vendor To Correct Defects.....	7
Warranty and Acceptance.....	8
Indemnification.....	9
Extension of Time.....	10
Law and Ordinances.....	11
Taxes.....	12
Vendor's Default/Termination.....	13
Contract Administrator's Determination.....	14
Vendor Not To Assign.....	15
Audits.....	16
Loss of or Damage to Materials.....	17
Withholding of Payments Due To Liens and	
Claims of Others.....	18
Employment Practices.....	19
Site Visits	20
Access to work location	21
PSC Filings.....	22
Independent Vendor.....	23

TABLE OF CONTENTS

(Continued)

	<u>Article</u>
Governing Law.....	24
Severability.....	25
Waiver.....	26
Provisions Required by Law Deemed Inserted.....	27
Detail Drawings.....	28
Blanket Purchase Orders.....	29
Year 2000 Compliance.....	30
E-Commerce.....	31

1. GENERAL

Terms: KeySpan Corporate Services LLC's terms of payment are Net 30 Days. Cash discounts will be evaluated. When proposals are submitted, prices must be quoted in indicated unit designations. It is essential that proposals include firm unit prices, freight included, F.O.B. destination, freight prepaid.

2. DEFINITIONS

Terms not otherwise defined elsewhere in these Terms and Conditions are defined as follows:

A. "Contract Administrator" means KeySpan Corporate Services LLC representative(s) designated to direct, inspect and coordinate the performance and delivery of the material/service.

3. CONTRACT ADMINISTRATOR'S INSTRUCTIONS AND COMPANY CONTACTS

A. Instructions or explanations given by the Contract Administrator to the Vendor to complete, clarify or give proper effect to the Specifications will be deemed a part of the Specifications.

B. If there is any doubt as to the meaning of any portion or portions of the Specifications, such documents will be interpreted as calling for the best quality, as to materials, equipment and workmanship capable of being supplied or applied, and any explanation provided by the Contract Administrator's will be final and conclusive.

4. INSPECTION

All work will be subject to the Contract Administrator inspection, direction and approval. The Vendor agrees: (a) to furnish all the information and facilities pertaining to the work as the Contract Administrator may require; and (b) to allow and secure the inspection of such work when and in such manner as the Contract Administrator may require.

5. PAYMENT

A. For and in consideration of the Vendor's true and faithful performance of each requirement set forth in the Specification(s), Solicitation and any resulting order/contract, KeySpan Corporate Services LLC shall pay the Vendor within thirty (30) days from receipt of material/service and invoice.

B. In cases where freight is added to orders/releases as a line item and/or added to the invoice, KeySpan Corporate Services LLC will not accept markups of any form on the freight portion of the invoice. All freight must be invoiced at the Sellers cost. KeySpan Corporate Services LLC reserves the right to require the Seller to secure, at the Sellers expense, original freight invoices for verification of the freight charges added to an invoice. KeySpan Corporate Services LLC reserves the right to withhold payment on all invoices where freight discrepancies occur, or the Seller fails to supply validation of freight charges.

6. OMISSION TO POINT OUT ERRORS, VARIATIONS AND DEFECTS NOT TO RELIEVE VENDOR

KeySpan Corporate Services LLC designates the Contract Administrator to advise the Vendor of errors or variations from the requirements of this Specification and of defects in workmanship and material, but it is expressly agreed that any omission on the Contract Administrator's part to point out any such errors, variations, or defects or to provide any instructions or explanations to the Vendor will not give the Vendor any right or claim against KeySpan Corporate Services LLC and shall not in any way relieve the Vendor from its obligation to perform the work according to the terms and conditions of the Specification.

7. VENDOR TO CORRECT DEFECTS

The Vendor, upon the Contract Administrator's direction, shall remove, replace, or correct any work not performed in accordance with the provisions of the Specification. All corrective and other work must be done in accordance with the provisions of the Specification. KeySpan Corporate Services LLC reserves the right to use any rejected part of the work in service until the corrective work has been completed. All such corrections, alterations, and replacements will be performed at no cost to KeySpan Corporate Services LLC.

8. WARRANTY AND ACCEPTANCE

The Vendor guarantees that all of the work will be free from defects in materials and workmanship, will comply with the requirements of the Specification and will perform satisfactorily both as to maintaining efficiency and reliability of operation for the period required by the Specification (the "Warranty Period"). Any work (including equipment and materials) that does not meet the requirements of the Specification during the Warranty Period shall be corrected by the Vendor without expense to KeySpan Corporate Services LLC or, at KeySpan Corporate Services LLC's option, may be corrected by KeySpan Corporate Services LLC at the Vendor's expense.

If KeySpan Corporate Services LLC elects to perform the corrective actions, the charge to the Vendor shall include labor, materials, equipment charges and any other necessary costs, including an appropriate charge by KeySpan Corporate Services LLC for administration and overhead. The Vendor shall promptly reimburse KeySpan Corporate Services LLC for all such costs.

The Vendor shall furnish, without expense to KeySpan Corporate Services LLC, all equipment and facilities necessary to test the work as provided in the Specifications, both in the factory and at the Site. The Vendor shall provide ample notice to KeySpan Corporate Services LLC to conduct such inspections and tests.

Failure to comply with any part of this Article will be a material breach of these Terms and Conditions and the Vendor shall be liable to KeySpan Corporate Services LLC for any and all costs, expenses, fines, levies, legal fees, or statutory and regulatory requirements imposed on KeySpan Corporate Services LLC as a result of the Vendor's noncompliance.

9. INDEMNIFICATION

The Vendor shall indemnify and hold harmless KeySpan Corporate Services LLC, its officers, directors, employees, agents and servants, from and against any and all losses (including, but not limited to property damage and personal injury or death resulting therefrom), costs, damages, claims, expenses, including attorneys' fees and expenses of litigation, judgments, liens and encumbrances arising out of or in any way connected with work performed by the Vendor or any subcontractors whenever made or incurred, including any and all liability imposed by law, contract, and/or custom upon KeySpan Corporate Services LLC, its officers, directors, employees, agents, and servants or any or all of them, whether or not it be claimed or proven that there was negligence or breach of statutory duty or both upon the part of KeySpan Corporate Services LLC, its officers, directors, employees, agents, and servants, except where such indemnity would be precluded by New York State General Obligations Law, Section 5-322.1, or by other applicable law; provided however, that such statutory preclusion shall not relieve the Vendor, any subcontractors or any insurers thereof of their obligations under Article 12. In accordance with the above, KeySpan Corporate Services LLC has the right to demand that the Vendor undertake to defend KeySpan Corporate Services LLC, its officers, directors, employees, agents and servants against all lawsuits for which the Vendor has a duty to indemnify KeySpan Corporate Services LLC. If the Vendor indemnifies KeySpan Corporate Services LLC for any damages, losses, costs and expenses which result from the negligence of a third party, KeySpan Corporate Services LLC will assign to the Vendor any corresponding cause of action which it may have against such third parties.

10. EXTENSION OF TIME

If the Vendor is delayed by any KeySpan Corporate Services LLC act or omission, or by interference by a public authority, or strikes or injunctions, none of which are caused, instituted, or provoked by the Vendor or by any subcontractor, agent or representative of the Vendor, and if the Vendor cannot with reasonable diligence, due to such act or omission, interference, strike or injunction, make up for such delay or delays, then the specified date or dates for completion of the work or the portion or portions thereof so delayed will be extended by KeySpan Corporate Services LLC by the amount of time for such delay as determined by the Contract Administrator. Notwithstanding the foregoing, no periods of such delay will be deemed to begin until written notice thereof has been given by the Vendor to KeySpan Corporate Services LLC.

If the Vendor is delayed by any KeySpan Corporate Services LLC act or omission, and the Vendor cannot make up for such delay by applying reasonable diligence and speed, then the Vendor may receive compensation for such delay, if appropriate. The Contract Administrator shall determine the time period covered by the delay and the amount of compensation payable to the Vendor.

11. LAW AND ORDINANCES

The Vendor shall comply with all applicable Federal, State and local laws, rules, ordinances, regulations, codes, orders or directives that in any manner regulate or affect the work. The Vendor shall indemnify and hold KeySpan Corporate Services LLC harmless from any loss, damage, penalty or injury, including attorney's fees and expenses, suffered by KeySpan Corporate Services LLC due to the Vendor's default in compliance with such laws, rules, ordinances, regulations, codes, orders or directives. This indemnification and hold harmless obligation is separate from and independent of any other obligations of the Vendor to indemnify and hold KeySpan Corporate Services LLC harmless from claims, costs, obligations or expenses.

12. TAXES

The Vendor shall be responsible for and shall pay all payroll taxes and other taxes involving work performed. The Vendor shall not include New York State or local sales tax on its invoice. If applicable, KeySpan Corporate Services LLC will pay such taxes directly to New York State through Direct Payment Permit Number DP-3471 (I.D. No. 11-3431358).

13. VENDOR'S DEFAULT/TERMINATION

A. Default

If the Vendor fails to complete any of the work, or if, in KeySpan Corporate Services LLC's judgment, the Vendor fails to keep and perform any of these Terms and Conditions (including but not limited to compliance with all laws, rules, ordinances, regulations, codes, orders, directives or other governmental requirements), or fails to perform the work with reasonable diligence so that it is reasonably probable that the work will not be completed within the time period(s) set forth in the Purchase Order then, and in any such event, KeySpan Corporate Services LLC may, in addition to every, or in substitution of any other remedy which KeySpan Corporate Services LLC might have by law terminate the Purchase Order in whole or in part by written notice to the Vendor, and thereupon the Vendor shall discontinue the work or so much thereof as shall be affected by said notice. KeySpan Corporate Services LLC may thereupon contract with others or use its own employees and equipment to complete such work affected by the notice. The Vendor shall pay any increased cost for the completion of the work. The increased cost will be determined by the amount paid or expended for the work over and above the prices herein specified and will include KeySpan Corporate Services LLC's administrative and overhead costs. If the amount that KeySpan Corporate Services LLC is required to pay or expend for completion of the work is less than the prices herein specified, the Vendor hereby waives all claims to such difference as compensation to KeySpan Corporate Services LLC for its added expense and effort to effect completion of the work.

B. Convenience

KeySpan Corporate Services LLC reserves the right to terminate the Purchase Order for convenience upon ten (10) days notice. Upon such termination, KeySpan Corporate Services LLC shall pay only for all work performed through the effective date of termination and shall have no further liability to the Vendor.

14. CONTRACT ADMINISTRATOR'S DETERMINATION

The Contract Administrator shall in all cases determine the classification, amount, quality, acceptability, and fitness of the work and will in all cases determine every question which may arise relative to the performance of the work.

In no case will any controversy or claim be taken as reason or justification for any delay, work stoppage or other interference of whatever nature with the full and prompt compliance with any determination by the Contract Administrator and the Vendor's continued performance of each and every covenant, agreement, and requirement of this Agreement pending the resolution of any claims. The Vendor will be provided with a "proceed under protest" work order and will separately track all costs associated with such claims.

15. VENDOR NOT TO ASSIGN

The Purchase Order is binding upon the parties hereto and their heirs, executors, administrators, successors, and assigns. The Vendor shall not assign the Purchase Order, or any of the moneys to become due and payable under the Purchase Order, or subcontract the whole or any part of the work, without first having obtained KeySpan Corporate Services LLC's written consent to such assignment or subcontract. Any such assignment or subcontract for which KeySpan Corporate Services LLC's written consent is not obtained will be null and void.

16. AUDITS

From the date of the Purchase Order, the Vendor shall provide KeySpan Corporate Services LLC access to the work and to all of the Vendor's books, records, vouchers, memoranda, papers or documents relating to the work and the Vendor shall preserve all such records for a period of two (2) years after final payment. KeySpan Corporate Services LLC shall complete any audit that may be desired during this period. If KeySpan Corporate Services LLC does not avail itself of this right of access to the Vendor's records as herein provided, KeySpan Corporate Services LLC will not be deemed to have waived any of KeySpan Corporate Services LLC's rights.

17. LOSS OF OR DAMAGE TO MATERIALS

The Vendor shall be responsible for any loss or damage to material and equipment associated with the work resulting from theft or other cause. The Vendor shall promptly repair or replace such loss or damaged materials and equipment at no cost or expense to KeySpan Corporate Services LLC. The Vendor shall also be responsible for any material and equipment used or held for use in connection with the work, including the disposition of removed, used or salvaged material as may be applicable to the work and shall assume all responsibility necessary to protect same against loss, damage, or theft. The Vendor shall obtain a receipt from a duly authorized KeySpan Corporate Services LLC representative when returning material or equipment to a designated KeySpan Corporate Services LLC facility.

18. WITHHOLDING OF PAYMENTS DUE TO LIENS AND CLAIMS OF OTHERS

A. With the second and any or every subsequent invoice, KeySpan Corporate Services LLC reserves the right to require the Vendor to submit affidavits, receipted bills, waivers of lien or other proof satisfactory to KeySpan Corporate Services LLC evidencing that payment has been made for labor, materials, suppliers, and subcontractors of any level covered by the previous invoices.

B. If the Vendor is in arrears on any payments for labor, materials, suppliers, or subcontractors or fails to submit such evidence or proofs of payment to KeySpan Corporate Services LLC when requested, KeySpan Corporate Services LLC may withhold any and all payments that would otherwise be due and payable under the Purchase Order and any other contract between KeySpan Corporate Services LLC and the Vendor, and any such payments withheld will not become due and payable until such time as the Vendor has submitted the required evidence or proofs of payment.

C. In addition to the right to delay payment as set forth above, if a lien is filed against KeySpan Corporate Services LLC's property by any laborer, supplier, or subcontractor of any level of the Vendor, or if a claim is filed with or notice is given to KeySpan Corporate Services LLC by any laborer, supplier, or subcontractor of any level of the Vendor that there is an amount due for services rendered or materials supplied to the Vendor for use in the performance of the work or in furtherance of the Purchase Order and that such laborer, supplier, or subcontractor of any level of the Vendor intends to file a claim or lien against KeySpan Corporate Services LLC's property, then KeySpan Corporate Services LLC may withhold any and all payments due or thereafter to become due the Vendor pursuant to the Purchase Order or any other contract between KeySpan Corporate Services LLC and the Vendor until KeySpan Corporate Services LLC receives satisfactory proof that the claim has been resolved or the lien has been satisfied or the claimant has been paid. In any event, the Vendor shall take all necessary steps, at its sole cost and expense, to cause any lien filed against KeySpan Corporate Services LLC's property to be satisfied on the record within ten (10) days from KeySpan Corporate Services LLC's notice that such lien has been filed.

D. If the Vendor fails to secure such satisfaction of the lien within such time period, KeySpan Corporate Services LLC has the right to deposit with the appropriate county clerk a sum of money sufficient to permit such county clerk to satisfy and discharge such lien; such deposit will constitute payment to the Vendor and will be offset against any Vendor invoices to the extent of such deposit, or if KeySpan Corporate Services LLC has already paid the Vendor, such sums will be back charged to the Vendor by a KeySpan Corporate Services LLC invoice.

19. EMPLOYMENT PRACTICES

A. The Vendor shall comply with all federal, state and municipal laws and regulations relating to discrimination against employees or applicants for employment based on race, creed, sex, color, or national origin, including but not limited to the Federal and New York regulations contained in the Appendix entitled "NONDISCRIMINATION IN EMPLOYMENT" attached hereto.

B. The attached Appendix entitled "NONDISCRIMINATION IN EMPLOYMENT" is hereby incorporated and made a part of these Terms and Conditions as defined in Section 60-1.3(w) of the Rules and Regulations of the Office of Federal Contract Compliance, Equal Employment Opportunity, 41 CFR Part 60.

20. SITE VISITS

The Vendor represents that its duly qualified representative has visited the location of the work for the purpose of acquainting the Vendor with conditions to become fully informed of all conditions that could affect work performance.

21. ACCESS TO WORK LOCATION

A. The Vendor, its agents, employees, and subcontractors will have reasonable access to the Site for the purpose of estimating or performing the work. The Vendor, its officers, supervisors, employees, subcontractors, and agents shall comply with any KeySpan Corporate Services LLC safety rules and any other applicable rules, regulations, and standards of governmental agencies having jurisdiction over KeySpan Corporate Services LLC, the Vendor, or the Site. The Vendor shall also take all necessary precautions to ensure the safety of all persons and property at, or about, the Site until the work is completed.

B. KeySpan Corporate Services LLC shall furnish Vendor with a set of regulations for KeySpan Corporate Services LLC's premises which will address items such as access, security, vehicle parking, and general working rules. Vendor shall ensure that its employees and subcontractors comply with the regulations. KeySpan Corporate Services LLC may amend the regulations at any time and without notice.

C. Parking, vehicles owned or operated by Vendor, its employees, subcontractors, and agents must be parked in specifically designated areas. KeySpan Corporate Services LLC assumes no responsibility for loss or damage to such vehicles.

D. The Vendor shall sign a sign-in sheet each time the Vendor is at the Site to perform the work. On this sheet, the Vendor shall record the date, time, and nature of the work performed. In each instance, the Vendor shall have the information verified by the designated KeySpan Corporate Services LLC supervisor at the Site.

22. PSC FILINGS

A. It is understood and agreed that the Purchase Order may be required to be filed with the PSC for prior acceptance in order for it to become fully effective and binding.

B. KeySpan Corporate Services LLC shall promptly take all necessary steps to accomplish such filing, if deemed necessary, and, if so filed, the Purchase Order will be subject to and conditioned upon the PSC's acceptance for filing within ninety (90) days from the date of such filing. KeySpan Corporate Services LLC agrees to notify the Vendor as soon as practicable of the receipt of PSC acceptance for filing.

C. If PSC acceptance for filing is not received by KeySpan Corporate Services LLC, the Purchase Order will be deemed null and void, and neither party will have any other or further liability to the other for anything arising out of or in connection with these Terms and Conditions, except as may otherwise be mutually agreed to by the parties.

23. INDEPENDENT VENDOR

The Vendor is independent Vendor and not an agent of KeySpan Corporate Services LLC.

24. GOVERNING LAW

The Purchase Order will be deemed to have been entered into and will be construed in accordance with the laws of an agreement the State of New York. Any action arising out of or related to the Purchase Order will be brought in State Court in the Second Department of the State of New York, Nassau County or in Federal Court in the Eastern District of the State of New York.

25. SEVERABILITY

If any article, phrase, provision or portion of these Terms and Conditions is, for any reason, held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision or portion so adjudged will be deemed separate, distinct and independent and the remainder of these Terms and Conditions will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication.

26. WAIVER

No delay or omission in the exercise of any right under these Terms and Conditions will impair any such right or will be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions are breached and thereafter waived, such waiver will be limited to the particular breach so waived and will not be deemed to be a waiver of any other breach under these Terms and Conditions.

27. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and governmental regulation required by law to be inserted in these Terms and Conditions is deemed inserted and these Terms and Conditions will read and be enforced as though the same were so included in these Terms and Conditions. If through mistake or otherwise any such provision is not inserted or is not correctly inserted, then, upon the application of either party, these Terms and Conditions shall be deemed to be amended to make such insertion or correction.

28. DETAIL DRAWINGS

Before fabrication, assembly or construction, the Vendor shall prepare and furnish without expense to KeySpan Corporate Services LLC, complete detail drawings of all parts, assemblies, mechanisms, or structures. Such drawings shall be submitted to KeySpan Corporate Services LLC in quadruplicate. One copy will be corrected or approved by KeySpan Corporate Services LLC and returned to the Vendor with as little delay as possible. The other copies will remain KeySpan Corporate Services LLC's property. The Contract Administrator's approval of the drawings shall not release the Vendor from (a) any responsibility for any errors the drawings may contain, or (b) fulfilling the requirements of these Terms and Conditions.

29. BLANKET PURCHASE ORDERS

1. Releases dated prior to the expiration of the order shall be honored, regardless of the ultimate delivery date of the material.

2. Releases that are dated after the expiration date, will be rejected. It is the Vendors responsibility to ensure that these releases are not accepted, as the Vendors invoice(s) for this material will not be processed for payment. Only the responsible buyer who has signed the blanket purchase order can make an exception to this arrangement.

3. Releases for regular stock items must be described on applicable blanket purchase order release and forwarded to the Vendor. Only parts required on an emergency basis may be called in by telephone and then subsequently confirmed on the blanket purchase order release.

4. Delivery will normally be to the following storerooms and Power Stations. However, this may be changed to include other locations during the period of the order on a per release basis:

Storerooms	Hewlett	Greenlawn
	Hicksville	Riverhead
	Roslyn	Bridgehampton
	Bellmore	Patchogue
	Brentwood	
Power Stations	Far Rockaway	Northport
	Glenwood	Port Jefferson
	E. F. Barrett	

All bulk shipments shall be shipped on pallets constructed as follows:

Three stringers 2" X 4" X 36", long top and bottom boards to be of 1" lumber. Top boards may be of random widths - no board less than 4" wide. End boards not less than 6" wide and a maximum spacing of 2" between top deck boards. Bottom boards will be 6" wide with two 9" spacing in between to allow for entry of pallet truck wheels. The outside leading edge of the lower boards to be chamfered. Holes bored in deck boards for all nails before assembly. Use number 6, 2 1/2" cement coated drive screw nails.

Overall height of stacked pallet not to exceed 36". Individual cartons not more than 70 pounds. Cartons to be clearly stenciled with: KeySpan Corporate Services LLC Purchase Order and release numbers M&S code and quantity. One item only per pallet. Packing slips must be clearly visible. No partial box quantities, round off to nearest box multiple.

KeySpan Corporate Services LLC Hazardous shipping requirements container(s) shall be labeled and state conspicuously the following:

- A. The name and place of business of the manufacturer packer, distributor, or seller.
- B. The common or usual name or the chemical name of the hazardous substance of each component which contributes substantially to its hazard.
- C. Proper U.S. Department of Transportation labels and/or markings in accordance with 49 CFR.

Label(s) are to be supplied in accordance with label(s) previously submitted to KeySpan Corporate Services LLC with OSHA form 20.

5. Deliveries will be accepted only between the hours of 7:30 a.m. to 3:00 p.m. All storerooms are closed Saturdays and Sundays, and on the following holidays; New Year's Day, Lincoln's and Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving day and the day after Thanksgiving, Christmas Day. The storerooms are also closed on Fridays preceding these holidays which occur on Saturdays and on Mondays for the holidays which are on Sundays.

6. Truck delivery is required to all locations.

7. All orders must be accepted for delivery with no maximum or minimum quantity, value or weight restrictions.

8. When material is delivered, the Vendor will leave one (1) copy of the delivery slip which must include our blanket purchase order number and assigned release number. The blanket purchase order number and complete release number must be shown on all related delivery slips, correspondence, statements and invoices.

9. All material furnished shall be in accordance with specifications, requirements and lead times stated herein and any other contractual documents.

10. KeySpan Corporate Services LLC will not accept any restocking charges for the following returns to the Vendor:

- A. Defective material
- B. Over-shipments
- C. Material not as specified by KeySpan Corporate Services LLC
- D. Deliveries not released.
- E. Shipments made to other than the stipulated location
- F. Unauthorized delivery in advance of specified date

11. New York State Sales Tax shall not be included in your proposal. KeySpan Corporate Services LLC will pay tax as applicable directly to New York State as authorized by Direct Payment Permit No. DP-3471.

12. Each invoice must include your Federal Taxpayers Identification Number (TIN).

13. You are required to notify KeySpan Corporate Services LLC if required delivery dates cannot be met. In addition, you are required to furnish written confirmation of changes to the original quoted lead time.

30. YEAR 2000 COMPLIANCE

The [Vendor/Contractor] represents and warrants that the hardware and software computer system used in the conduct of its business operations, such as manufacturing, shipping, accounting and invoicing, contains the functionality, including the time- and date- related code and internal subroutines, needed for the January 1, 2000 millennium date change and thereafter, which shall enable the [Vendor/Contractor] to continue its normal business operations and provide KeySpan Corporate Services LLC with the materials and/or services identified [in the Purchase Order in accordance with the terms set forth therein.]/[in the Specifications in accordance with the terms of this Agreement.]

31. E-Commerce

"KeySpan reserves the rights, but shall not be obligated, to (a) convert all terms that are the subject of this transaction to an 'e-commerce' format to enable KeySpan to conduct its management of and performance under this contract over the Internet, and (b) to use the services of a third party provider to furnish or create the required 'e-commerce' solution for such Internet capability."

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Rev.800

KEYSPAN

ENVIRONMENTAL ENGINEERING & COMPLIANCE

GENERAL SPECIFICATION FOR
PROJECTS INVOLVING LEAD
PAINTS AND COATINGS

ENV-3208

REV. 3
January 2001

This project involves materials or surfaces that contain or are coated with lead (see Scope of Work for specifics). The Contractor shall handle and store lead or lead based materials including paints and chemical residues in accordance with all federal, state and local regulations (latest editions) and KeySpan requirements as listed below. When any regulations, specifications, insurance requirements, KeySpan policy, etc. conflict, the more stringent shall apply. This guideline gives a general overview of requirements and procedures to be followed during the project.

I. CODES AND STANDARDS

The Contractor shall comply with all current federal, state and local codes, standards, and regulations pertaining to the removal, clean-up, worker safety and storage of lead materials or lead residues including but not limited to the following:

Environmental Protection Agency (EPA) - 49 CFR Part 170 (170 Series) - Latest Editions

New York State Part 370 of Title 6 of the Official Compilation of Codes, Rules, and Regulations - Latest Edition

Occupational Health and Safety Administration (OSHA) 29 CFR Part 1926.62 - Latest Edition

In addition, the Contractor shall be required to follow all applicable KeySpan Company procedures and/or specifications including but not limited to the following:

KeySpan Rules for Safe Operation - Latest Edition

II. SUBMITTALS

A) The Contractor shall supply KeySpan, as part of the proposal, with the following information:

- Contractor (or sub-Contractor) qualifications and experience in lead removal and handling including worker training, methods used, etc.
- A narrative description of how the project will be performed, including work methods/practices and engineering and environmental controls.

B) Upon contract award and prior to the start of the project, the successful Contractor shall supply KeySpan with the following:

- A project specific compliance program as described in 29 CFR 1926.62 (e)(2)

which includes but is not limited to respiratory protection, engineering controls, work practices, hygiene practices/facilities, blood lead monitoring and air monitoring schedules.

- Copies of the Contractor's Health and Safety Plan, OSHA Respiratory Protection Plan, Medical Plan and any Standard Operating Procedures involving lead.
- The names and qualification of proposed workers and copies of recent blood lead monitoring results (collected within two weeks of the project start).

III. GENERAL

- A) — Chemical strippers and other chemicals used on this project must be approved by KeySpan Corporate Safety Services and Environmental Engineering prior to the start of the project. Unless coatings prove resistant, strippers shall not contain any halogenated or flammable solvents. The Contractor shall use the chemical paint stripper according to the manufacturer's instructions for application, removal and clean-up of surfaces and tools. Impervious plastic or other sheeting (if specified by the manufacturer), shall be used to contain spent chemical stripper/lead residues. Chemical strippers and lead paint residues are prohibited from discharge to the environment.
- B) Lead waste or debris generated during the project shall be promptly containerized and otherwise prevented from escaping into adjacent areas or the general environment. During chemical stripping, the Contractor shall follow manufacturer's instructions on containment and containerize spent chemical stripper/lead residues into open topped steel drums provided by KeySpan. KeySpan shall be responsible for disposal of lead waste generated during the project.
- C) All mechanical tools used to remove lead coatings shall be equipped with a dust collection system utilizing a high efficiency particulate absolute (HEPA) filter. Mechanical tools include but are not limited to needle scalers, rotary peening machines and hand-held portable shot blasters.
- D) Any debris generated shall be cleaned from surfaces, uniforms, respirators, tools and other items using a HEPA filtered vacuum and/or wet cleaning methods. All water used on the project to wet or contain lead or lead dust shall be amended with trisodium phosphate at a rate of 3 ounces per gallon (unless otherwise directed by the manufacturer).
- E) The Contractor shall post signs in accordance with OSHA 29 CFR 1926.62 outside each area where lead may be disturbed prior to initiation of work.

- F) The Contractor shall be responsible for compliance with OSHA requirements for personal exposure air monitoring and analysis. Monitoring shall continue for each activity that could create a lead exposure until such time as concentrations indicate worker exposure is below the current permissible exposure limit (PEL). Samples must be analyzed within 24 hours and results posted at the site upon receipt. The laboratory utilized for sample analysis must be certified by the New York State Environmental Laboratory Approval Program for lead in air analysis. The Contractor shall also be responsible for worker exposure and monitoring for any other chemical used during the project for which there is an OSHA PEL as listed in 29 CFR 1910.1200.
- G) The Contractor shall remove all unused containers or quantities of strippers and other chemicals from KeySpan property at the completion of the work.

IV. WORK PRACTICES

- A) Interior Renovation and Demolition Projects Involving Lead Containing Paint

The OSHA lead standard requires the Contractor to utilize work practices and engineering controls to keep employee lead exposure to a minimum. In addition, the Contractor shall isolate the area to prevent lead-containing fugitive dusts generated during the project from contaminating adjacent areas or the outside environment. The Contractor shall use plastic sheeting (minimum 6 mil thickness) to create an airtight seal over all windows, doors, HVAC supplies and returns, or any other penetration into the work area. In areas where the opening exceeds 32 square feet, the Contractor shall use 2x4 studs spaced 24 inches on center to support the barrier. During the course of the project, barriers shall be inspected by the Contractor's representative and a KeySpan representative prior to start of daily work, at least once per shift and at the end of each work day. Results of the inspections shall be documented in the project log. The Contractor shall also remove all movable objects from the work area and protect with plastic sheeting any fixed objects in the area that will remain after completion of demolition or renovation. HVAC and other air handling systems shall be shut down during the project.

- 1) Work Practices and Engineering Controls

Should worker exposure air monitoring results show exposure above the permissible exposure limit or barriers fail to contain fugitive dust generated by demolition/renovation activities, the Contractor shall take steps to control dust generation. Such controls shall consist of using water amended with trisodium phosphate and installation of air filtration devices equipped with high efficiency particulate air (HEPA) filters to suppress and control airborne dust.

2) Waste Disposal and Final Clean-up

The Contractor shall demolish lead coated walls, ceilings and other surfaces with as little disturbance of lead containing paint as possible. Debris generated shall be considered and disposed of as construction and demolition (C&D) waste. Paint chips and other fine debris shall be collected as part of the final clean-up effort using HEPA-filtered vacuum cleaners and deposited in steel drums provided by KeySpan. Once gross and final clean-up has been completed, the Contractor shall fine clean all surfaces and barriers in the area using HEPA-filtered vacuums and wet cleaning methods to remove residual dust. Once there is no visible trace of dust and debris in the area, the area shall be inspected by a KeySpan representative. The Contractor shall re-clean or take other appropriate action to correct any deficiencies found during the inspection. Barriers shall remain in place until successful inspection by the KeySpan representative.

B) Re-Coating of Lead Coated Tanks, Pipes and Structures

1) Re-Painting Over Existing Coating

Small damaged areas where coatings are chipping, flaking, blistering, etc., shall be repaired prior to application of the new finish. Repairs may be accomplished using chemical strippers, mechanical tools with dust collection or manual scraping. Some methods may require additional engineering controls (such as enclosures, local ventilation or wet methods) and worker protection. Areas shall be repaired to a condition acceptable to the new finish manufacturer's specifications.

2) Complete Stripping and Re-Coating

The Contractor shall completely remove existing lead coatings as indicated prior to surface preparation for the new coating. Unless otherwise approved, all lead coatings shall be removed using a chemical paint stripper. Alternative paint removal methods such as soda blasting, water blasting, and mechanical tools with dust collection systems shall be considered if proposed as an alternate bid. Alternate methods must be approved by KeySpan before use. Some alternate methods may require additional engineering controls (such as enclosures or local ventilation) and worker protection.

C) Dismantling Lead Coated/Painted Structures

Whenever feasible, the Contractor shall use mechanical means such as unbolting to dismantle transmission towers and other structures mechanically fastened together.

On welded or riveted structures, the Contractor shall remove the lead coating cut points prior to utilizing any dismantling method that has the potential to create lead dust, fumes or vapors. Such methods shall include but are not limited to cutting with plasma arc, acetylene or other torch methods, mechanical cutting, welding, drilling and grinding. At cut points, the Contractor shall completely remove all lead coatings at a minimum of six inches on either side of the cut points on all accessible surfaces of the component (i.e. sides, back, etc.).

Unless otherwise approved, all lead coatings at cut points shall be removed using a chemical paint stripper. Alternative paint removal methods such as mechanical tools with dust collection systems shall be considered if proposed as an alternate. Alternate methods must be approved by KeySpan before use. Some alternate methods may require additional engineering controls (such as enclosures or local ventilation) and worker protection.

Steel components that have lead coatings remaining intact (except for cut points) shall be delivered directly to a scrap metal or steel recycling firm for recycling. Total lead removal on this material is not required. The Contractor shall provide KeySpan with a 'Certificate of Recycle' for all steel components removed during this project.

During work, every effort shall be made to collect lead paint chips and other debris for collection. On outdoor projects, tarps and plastic sheeting shall be used to prevent contamination to surrounding areas. HEPA-filtered vacuums shall be used to clean any existing paint chips or debris before the start of the project.

D) Alteration to Structural Members

When altering, modifying or attaching to structural members, gratings, railings, stairs and other steel components that are coated with primers or paint that contain lead, the Contractor shall completely remove the lead coating at attachment and/or cut points prior to utilizing any attachment or dismantling method that has the potential to create lead dust, fumes or vapors. Such methods shall include but are not limited to cutting with plasma arc, acetylene or other torch methods, mechanical cutting, welding, drilling and grinding. At cut and attachment points, the Contractor shall remove all lead coatings at a minimum of six inches on either side on all accessible surfaces of the component (i.e. sides, back, etc.). Any scrap steel shall be recycled as described in Section IV, C, above.

Unless otherwise approved, all lead coatings at cut and attachment points shall be removed using a chemical paint stripper. Alternative paint removal methods such as mechanical tools with dust collection systems shall be considered if proposed as an alternate. Alternate methods must be approved by KeySpan before use. Some alternate methods may require additional engineering controls (such as enclosures or

local ventilation), and worker protection.

V. RECORD KEEPING

- A) Prior to the start of a project or phase involving lead, the Contractor shall supply KeySpan with all items listed in Section II. above.
- B) During a project or phase involving lead, the Contractor or his agent shall maintain the following:

- Project log - a bound log documenting all relevant lead-related project information including the names and social security numbers of workers and visitors into the work area, air monitoring results, blood monitoring analysis, inspection results and incident reports.

Upon completion of the project, the Contractor shall submit copies of all documents listed above. The Contractor may also be required to have his worker's blood lead levels monitored within two weeks of completion of the project or the worker's assignment on the project. Results shall be submitted to KeySpan upon receipt by the Contractor.

B



October 8, 2002
(Revised November 11, 2002)
9002.714.004

Paulus, Sokolowski & Sartor Engineering, PC
67A Mountain Boulevard Extension
P.O. Box 4039
Warren, New Jersey 07059
tel: 732.560.9700
fax: 732.560.9768

KeySpan Corporate Services, LLC
Office of the Manager
Purchasing Department
175 E. Old Country Road
Hicksville, New York 11801

Re: Response to Request for Information, and
Proposal for Preliminary Site Assessment Services at the
Former Far Rockaway Manufactured Gas Plant
Far Rockaway, New York
Sealed Bid Number: Q-WJL-02-21

Gentlemen:

Paulus, Sokolowski & Sartor Engineering, P.C. (PS&S ENG, PC)¹ is pleased to present this revised proposal to provide Preliminary Site Assessment (PSA) services relative to the former Far Rockaway Manufactured Gas Plant (MGP) site as outlined in the subject Request for Information (RFI), dated August 13, 2002, revised October 1, 2002. The information provided in this proposal in response to the Scope of Work contained in the RFI, demonstrates our ability to provide comprehensive site assessment services such as field investigations, observation and documentation, environmental review and associated engineering services for MGP and other site investigation and remediation activities.

Paulus, Sokolowski & Sartor, LLC (PS&S), is an award-winning, multidisciplinary consulting engineering firm providing services throughout the eastern United States. In its 40 years of service as a full-service consulting firm, PS&S has provided both private and public clients with environmental, geotechnical, civil, sanitary, structural, mechanical, and electrical engineering; architectural, surveying and industrial facility design services. PS&S has broad environmental and engineering capabilities in site investigation, remedial design and permitting, and construction observation/documentation services. PS&S has conducted site investigations and prepared remedial investigation reports and/or remedial action workplans for a variety of contaminated sites, including MGP sites. This proposal includes a corporate overview, a description of capabilities as related to environmental assessments and site remediation, summary descriptions of other in-house engineering services, and descriptions of representative projects. In addition, as requested in the RFI, an outline for a PSA Work Plan, including outlines for a HASP, a QA/QC Plan, PSA Report outline and task-based timeline are provided.

¹ Paulus Sokolowski and Sartor Engineering, P.C. (PS&S ENG, PC) is owned by seventeen (17) employees of Paulus, Sokolowski, and Sartor, LLC (PS&S LLC). PS&S ENG, PC has entered into a service agreement with PS&S LLC whereby PS&S LLC furnishes technical staff to PS&S ENG, PC. This organization was established in 1993, in order to comply with professional licensing and business practice requirements in New Jersey and in other jurisdictions.

PS&S ENG, PC proposes to perform the scope of services set forth herein in accordance with the attached Schedule of Charges and General Conditions (Form 109A).

PS&S ENG, PC will not exceed the authorized total estimated budget of \$99,964.00 without authorization from KeySpan Corporate Services, LLC. If the scope of work and fees as presented in this proposal are acceptable, please indicate your agreement by signing in the appropriate space noted below, and return one signed copy to this office.

PS&S ENG, PC is pleased to have the opportunity to prepare this response to the RFI to demonstrate its capabilities to provide comprehensive, multidisciplinary engineering and environmental investigation and remediation services. If you have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,

PAULUS, SOKOLOWSKI AND SARTOR ENGINEERING, P.C.



Joseph J. Lifrieri, P.E., P.G., P.P.
President

cc: J. Sartor, PS&S

PROPOSAL AND FORM 109A ACKNOWLEDGED AND ACCEPTED

CLIENT: _____

SIGNATURE: _____

NAME: _____

TITLE: _____

DATE: _____

Proposal/Contract
No.: 9002-714-04
Date: October 8, 2002
(Revised November 11, 2002)

SCHEDULE OF CHARGES AND GENERAL CONDITIONS

I. PAYMENT FOR SERVICES

- A. When Paulus, Sokolowski and Sartor Engineering, P.C. (PS&S ENG, PC) is to be paid on the basis of time expended and expenses incurred on the project, compensation shall be determined as noted in Sections I and II hereunder. Time spent by principals of the company will be billed at a rate of \$170 per hour. When operating in a design capacity, principal time will be billed at the appropriate rate for the service supplied.
- B. All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with the Affiliate Transaction Rules of the New York State Public Service Commission and SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA). Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002. The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under the Affiliate Transaction Rules of the New York State Public Service Commission and SEC Rules 90 and 91.

<u>Classification</u>	<u>Rate Per Hour</u>	
	<u>Minimum</u>	<u>Maximum</u>
Department/Div.Manager/ Dir.of Surveying/Associate Principal	155	168
Senior Project/Project Manager/Project Architect	140	160
Project Engineer/Scientist/Planner/Surveyor	115	140
Sr. Engineer/Designer/Scientist/Planner/Surveyor/Spec Writer	105	120
Staff Engineer/Designer/Scientist/Planner/Surveyor/Intern Architect	80	100
Senior Draftperson/Technician/Field Technician	60	80
Draftperson/Technician/Graphic Artist/CADD Operator	50	60
Administrative Assistant	60	75
Word Processor/Administration	30	50

II. PAYMENT FOR OTHER DIRECT NON-SALARY EXPENSES

- A. All other expenses incurred will be separately billed at actual cost. Such expenses include, but are not limited to: subcontractor, consultant, laboratory, and other outside vendor charges; long-distance phone and other communications; reproduction; special equipment costs necessary for project execution; special insurance premiums; and any other costs not otherwise part of main office overhead. Reproductions made with company equipment will be billed at \$0.10 per 8 1/2" x 11" to 11" x 17" sheet; for black and white, and \$0.75 per sheet for color reproductions.
- B. The use of company or employee owned cars on the project will be billed at the rate authorized by the Internal Revenue Service (\$0.365 per mile as of the Effective Date of this Schedule). In the event rental vehicles are used at the option of the firm, the actual rental charges plus 15 percent will be billed in lieu of the mileage rate.

SCHEDULE OF CHARGES AND GENERAL CONDITIONS (cont.)

Page 2 of 2

III. INVOICES AND PAYMENT TERMS

Unless otherwise agreed to in writing, invoices for all services regardless of billing type (time and expense, fixed fee etc.) will be issued on a monthly basis, payable within 30 days of the invoice date. Interest at one percent per month (but not exceeding the maximum rate allowable by law) will be payable on any principal amount not paid within 30 days, payment thereafter to be applied first to accrued interest and then to the principal unpaid amount. All reasonable attorney's fees or other costs incurred in collecting any delinquent amounts shall be paid by the Client.

PS&S ENG, PC has the right to suspend services or terminate its obligations under this agreement if any invoiced amounts are not paid within 60 days. Once services are suspended for nonpayment, they will be resumed at the convenience of PS&S ENG, PC when all principal amounts and accrued interest are paid in full. In the event of termination, PS&S ENG, PC has the right to payment from the Client for reasonable costs associated with termination. Any election to suspend services shall not preclude a later election to terminate. Any failure by PS&S ENG, PC to terminate or suspend services shall not constitute a waiver of these or any other rights. All rights and remedies in this Section III are in addition to, and are not be construed in any way as a limitation of, any rights and remedies available at law or equity.

IV. TAXES

The Client shall pay the cost of any sales, use, excise, value added or similar tax which is or may become applicable to the services provided by PS&S ENG, PC. All invoiced amounts shall be increased by the amount of any such tax.

V. PROFESSIONAL STANDARD OF CARE

PS&S ENG, PC shall perform its services in a manner consistent with that level of care and skill ordinarily exercised by other professional consultants under similar circumstances at the time of the provision of its services. No other representations to Client, express or implied, and no warranty or guarantee is included or intended in this agreement, or in any report, document or other communication of any nature.

VI. DISPUTE RESOLUTION & LIMITATIONS OF LIABILITY

In the event of any dispute with respect to the performance or terms and conditions of services, PS&S ENG, PC and the Client agree to use their best efforts to resolve the dispute amicably. In the absence of such resolution, either party may seek remedies available to it at law or in equity. In no event shall either PS&S ENG, PC or the Client be liable to each other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such claim is based upon alleged breach of contract, willful misconduct, or negligent act or omission.



KEYSPAN CORPORATE SERVICES LLC
175 EAST OLD COUNTRY ROAD
HICKSVILLE, NY 11801

~~OCTOBER 1, 2002~~
~~AUGUST 13, 2002~~

REQUEST FOR INFORMATION

SUBMIT TWO COPIES OF YOUR PROPOSAL, (ONE WITH PRICING AND ONE WITH PRICING OMITTED) IN A SEALED ENVELOPE ADDRESSED AS FOLLOWS:

KEYSPAN CORPORATE SERVICES LLC
OFFICE OF THE MANAGER
PURCHASING DEPARTMENT
175 E. OLD COUNTRY ROAD
HICKSVILLE, NEW YORK 11801

THE OUTSIDE OF YOUR SEALED ENVELOPE
MUST BE IDENTIFIED AS FOLLOWS:

**SUBJECT: PRELIMINARY SITE ASSESSMENT AT THE FORMER
FAR ROCKAWAY MANUFACTURED GAS PLANT - FAR
ROCKAWAY NY.**

SEALED BID NUMBER: Q - WJL - 02-21

REVISID **PROPOSAL DUE DATE: WEDNESDAY OCTOBER 9, 2002**
BIDS NOT RECEIVED AS REQUESTED ABOVE
WILL NOT BE ACCEPTED.

QUESTIONS REGARDING THIS BID SHOULD BE SENT TO THE
THE BUYER LISTED BELOW VIA THE PHONE, FAX OR MAIL.

BUYER: WILLIAM J. LAWRENCE

PHONE: 516 545-4372

FAX : 516 545-5652

ADDRESS:

**175 E. OLD COUNTRY ROAD
HICKSVILLE, NEW YORK 11801
PURCHASING DEPARTMENT**

ALL LABOR, MATERIAL, TOOLS, EQUIPMENT, SUPERVISION, TRANSPORTATION AND INSURANCE REQUIRED TO: PERFORM A PRELIMINARY SITE ASSESSMENT (PSA) AT THE FORMER MANUFACTURED GAS PLANT -FAR ROCKAWAY, NY.

ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH KEYSpan'S:

- 1) QUOTATION Q- WJL-02-21 DATED AUGUST 13, 2002**
- 2) INSURANCE REQUIREMENTS," CONSULTANTS ON SITE" DATED APRIL, 2000**
- 3) KEYSpan GENERAL CONDITIONS M-300 GENERAL CONDITIONS DATED JULY 1, 2002**
- 4) KEYSpan WORKSCOPE ENTITLED " PRELIMINARY SITE ASSESSMENT AT THE FAR ROCKAWAY FORMER MANUFACTURED GAS PLANT SITE, FAR ROCKAWAY- NEW YORK" , DATED AUGUST 13, 2002.**
- 5) KEYSpan TERMS AND CONDITIONS DATED AUGUST , 2000**
- 6) KEYSpan SPECIFICATION ENV-3208 ENTITLED "GENERAL SPECIFICATION FOR PROJECTS INVOLVING LEAD PAINTS AND COATINGS" DATED JANUARY 2001 REVISION #3**

SITE VISIT MEETING

IT IS A REQUIREMENT THAT EACH BIDDER ATTEND THE SITE VISIT MEETING. UNDER NO CIRCUMSTANCE WILL A BID BE ACCEPTED IF THE SITE VISIT IS NOT MADE.

CONTACT MR. TED LEISSING (516) 545 – 2563 TO MAKE ARRANGEMENTS TO VISIT THE SITE.

THIS PROPOSAL WILL BE VALID FOR NINETY (90) DAYS FROM THIS BID DUE DATE.

IT IS UNDERSTOOD THAT THE COMPANY RESERVES THE RIGHT OF REJECTING ANY OR ALL PROPOSALS AND WAIVING TECHNICAL IRREGULARITIES.

WORK IN HARMONY

IT IS UNDERSTOOD THAT THE CONTRACTOR IS RESPONSIBLE FOR HARMONIOUS LABOR RELATIONS AMONG (I) IT'S OWN EMPLOYEES; AND (II) WITH RESPECT TO THE CONTRACTOR'S PRESENCE AT THE SITE WHERE THE PROJECT IS BEING PERFORMED, IT'S OWN EMPLOYEES, COMPANY EMPLOYEES AND THE EMPLOYEES OF ANY OTHER CONTRACTORS AUTHORIZED BY THE COMPANY TO BE ON THE SITE WHERE THE PROJECT IS BEING PERFORMED.

IT IS UNDERSTOOD THAT FAILURE TO COMPLY WILL BE SUFFICIENT CAUSE FOR BID REJECTION.

THE FOLLOWING IS A LIST OF THE TRADE CLASSIFICATIONS AND UNION AFFILIATIONS OF THE CONTRACTOR'S EMPLOYEES:

TRADE CLASSIFICATION	UNION AFFILIATION-IF NONE STATE
Paulus, Sokolowski & Sartor Engineering, PC	None

THE FOLLOWING IS A LIST OF THE TRADE CLASSIFICATIONS AND UNION AFFILIATIONS OF ALL SUBCONTRACTOR'S EMPLOYEES:

TRADE CLASSIFICATION	UNION AFFILIATION-IF NONE STATE
Zebra Environmental Corp.-Driller	None
Hampton-Clarke, Inc.-Vertich Laboratories	None

THE CONTRACTOR SHALL PROMPTLY NOTIFY THE COMPANY IN WRITING, OF ANY CHANGES IN THE TRADE CLASSIFICATIONS OR UNION AFFILIATIONS OF ANY OF THE CONTRACTOR'S EMPLOYEES OR THE SUBCONTRACTOR'S EMPLOYEES.

MINORITY/WOMEN BUSINESS ENTERPRISES ("M/WBE")

IT IS UNDERSTOOD THAT KEYSpan IS COMMITTED TO SUPPORTING MINORITY/WOMEN BUSINESS ENTERPRISES SUPPLIERS AND CONTRACTORS. IN AN EFFORT TO ACCURATELY TRACK WORK PERFORMED BY THESE ENTERPRISES, ANY MINORITY/WOMEN BUSINESS ENTERPRISES THAT WILL BE SUBCONTRACTOR A PORTION OF THE WORK IN SUPPORT OF THIS PROJECT, ARE INCLUDED BELOW.

IT IS UNDERSTOOD THAT KEYSpan CORPORATE SERVICES LLC RESERVES THE RIGHT TO VERIFY ANY OF THE INFORMATION IN THE SPACE PROVIDED BELOW:

NAME	MINORITY OR WOMEN	WORK/ MATERIALS	VALUE
Hampton-Clarke, Inc. Veritech Laboratories	WBE	Laboratory Analytical Services	\$22,886.00

SUB-CONTRACTORS

KEYSPAN RESERVES THE RIGHT OF ACCEPTING OR REJECTING ALL SUBCONTRACTORS PROPOSED BY THE CONTRACTOR. FOR THIS PROJECT. THE CONTRACTOR IS TO SUPPLY AS PART OF THEIR BID A LISTING OF ALL THE PROPOSED SUBCONTRACTORS FOR KEYSpan'S REVIEW AND APPROVAL.

EXCEPTIONS

ANY EXCEPTIONS REGARDING THE ABOVE SHALL BE NOTED BELOW. IN THE ABSENCE OF DEFINED EXCEPTIONS, THIS PROPOSAL WILL BE ACCEPTED AS IN TOTAL COMPLIANCE THEREWITH.

IN THE EVENT A PROPOSAL WILL NOT BE SUBMITTED, PLEASE SO INDICATE BY LETTER TO KEYSpan ON OR BEFORE THE PROPOSAL DUE DATE. FAILURE TO SUBMIT A PROPOSAL OR A LETTER OF DECLINATION BY THE PROPOSAL DUE DATE WILL RESULT IN YOUR COMPANY BEING REMOVED FROM KEYSpan'S APPROVED BIDDERS LIST FOR THIS COMMODITY.

SAFETY

THE CONTRACTOR SHALL ADHERE TO THE APPLICABLE OSHA STANDARDS. THE ENTIRE AREA WHERE THE WORK IS PERFORMED IS A HARD HAT AREA. SAFETY GLASSES ARE REQUIRED AND MUST BE WORN.

COMPLIANCE WITH ALL SAFETY RULES IS MANDATORY. FAILURE TO COMPLY CAN RESULT IN REVOCATION OF SITE ACCESS, DISCIPLINARY ACTION AND/OR TERMINATION.

BACKCHARGES

THE CONTRACTOR WILL BE BACKCHARGED (IN ADDITION TO ANY OTHER APPROPRIATE BACKCHARGES, CLAIMS, COSTS OR DAMAGES, INCLUDING LIQUIDATED DAMAGES, IF ANY) SIX HUNDRED (\$600.00) DOLLARS PER DAY FOR EACH DAY THAT AN ENGINEER OR OTHER COMPANY PERSONNEL ("ENGINEER") ARE REQUIRED TO BE AT THE SITE TO MAINTAIN CONTRACTOR SCHEDULED WORK IF (1) THE CONTRACTOR'S WORK FORCE DOES NOT APPEAR AS SCHEDULED OR (2) THE WORK IS NOT COMPLETED IN ACCORDANCE WITH THE SCHEDULE AND THE RESULTING EXTENDED SCHEDULE DELAY IS NOT THE FAULT OF THE COMPANY OR CAUSED BY COMPANY APPROVED CHANGES IN WORK SCOPE. THESE BACKCHARGES REIMBURSE THE COMPANY FOR SALARIES, PAYROLL LOADINGS AND ADMINISTRATIVE COSTS FOR SUCH EXTENDED COVERAGE AT THE SITE.

IN ADDITION, THE CONTRACTOR WILL BE BACKCHARGED FIFTY DOLLARS (\$50.00) PER HOUR FOR PREMIUM TIME WORKED BY THE ENGINEER TO (1) ACCOMMODATE THE CONTRACTOR (I.E. WORK THAT IS NOT NECESSARY TO MAINTAIN THE PROJECT SCHEDULE) OR (2) CORRECT SCHEDULE DELAYS CAUSED BY THE CONTRACTOR. PREMIUM TIME IS DEFINED AS TIME WORKED BY THE ENGINEER IN EXCESS OF EIGHT (8) HOURS PER DAY, MONDAY THROUGH FRIDAY, AND ALL DAY ON SATURDAY, SUNDAY AND HOLIDAYS.

CONTACTS:

NAME AND TELEPHONE NUMBER OF THE PERSON IN SELLER'S ORGANIZATION WHO CAN BE CONTACTED FOR THE PURPOSES OF:

INFORMATION RELATED TO THIS PROPOSAL:

NAME: Joseph J. Lifrieri, PE, PG **TEL. NO.** 732-560-9700 ext. 298

FAX NO. 732-271-4890

PRICING:

1) INCLUDE YOUR RATE SCHEDULE FOR ALL PROJECT PERSONNEL

4) INCLUDE YOUR EQUIPMENT RATE SCHEDULE (EQUIPMENT AND OPERATOR) FOR ALL EQUIPMENT THAT WILL BE USED ON THIS PROJECT.

**WILLIAM J. LAWRENCE
SENIOR BUYER
PURCHASING DEPARTMENT**

SIGNATURE

PRINT NAME Joseph J. Liffriedt, PE, PG

COMPANY NAME Paulus, Sokolowski & Sartor Engineering, PC

DATE October 8, 2002

ATTACHMENT 1

Qualifications Statement

CORPORATE OVERVIEW

As noted in our cover letter of November 11, 2002, in order to comply with business practice and licensing requirements of the State of New York, Paulus, Sokolowski and Sartor Engineering, PC (PS&S ENG, PC) proposes to perform services hereunder pursuant to its exclusive services agreement with Paulus, Sokolowski and Sartor, LLC (PS&S). PS&S is an award-winning, multidisciplinary consulting engineering firm providing services throughout the eastern United States. The firm was established in 1962 and maintains offices in Warren, Absecon and Atlantic City, New Jersey. Engineering News Record has ranked PS&S among the "Top 500 Design Firms" since 1982. In its 40 years of service as a full-service consulting firm, PS&S has provided both private and public clients with environmental, geotechnical, civil, sanitary, structural, mechanical, and electrical engineering; architectural, surveying and industrial facility design services. Our staff of more than 300 employees includes licensed and degreed professionals, technicians, and support personnel in all disciplines.

PS&S has conducted site investigations and prepared remedial investigation reports and/or remedial action workplans for a variety of contaminated sites, including MGP sites. In addition, PS&S has served as the owner's representative for a number of site remediation projects. Our relevant experience includes the remediation and proposed redevelopment of the former Koppers Seaboard site in Kearny and site investigations and remedial alternative evaluations at a former coal tar processing facility in Edgewater, New Jersey. PS&S has also provided additional engineering support services including contract administration support and expert testimony.

PS&S ENVIRONMENTAL DEPARTMENT

To serve the individual needs of our clients, the Environmental Department has been organized into the following three (3) separate, but integrated, operating units: the Division of Environmental Compliance; the Division of Air Quality, and the Division of Environmental Permitting and Planning. The following sections highlight some of the services and fields of expertise offered by each Division.

Division of Environmental Compliance

The Division of Environmental Compliance addresses environmental issues related to wastes, soil and groundwater contamination, remedial investigations and remedial action. PS&S has performed numerous environmental evaluations and investigations for clients who are concerned about potential contamination on commercial and industrial property, including buildings associated with the property. These site evaluations have included audits of materials regulated under Resource Conservation and Recovery Act (RCRA), Toxic Substances Control Act (TSCA), and/or Superfund Amendments and Reauthorization Act (SARA) Title III reporting requirements. When environmental testing is recommended or requested, PS&S has provided these services through certified laboratories.

PS&S has conducted numerous remedial investigations related to underground storage tanks, groundwater development and soil and groundwater contamination. PS&S has also provided technical assistance for implementing contaminant recovery systems and long-term water quality monitoring and has conducted contamination studies, including subsurface investigations, engineering design, and development of monitoring and

recovery systems for hydrocarbon spills and various soil and groundwater contamination problems involving inorganic and organic compounds. The techniques routinely applied to groundwater investigations include monitoring wells, aquifer testing and interpretation, and hydrodynamic contaminant transport analyses. Soil investigation techniques include test borings, soil gas surveys and geophysical surveys.

PS&S has proven experience in designing remediation and cleanup programs. PS&S has proven experience taking a previously disturbed, dormant or underutilized site and transforming it to a productive use. PS&S conducts initial site remedial investigations and provides an assessment of site areas of concern. To address identified adverse site conditions, PS&S designs corrective action programs within the current regulatory framework. PS&S's knowledge of environmental regulations and familiarity with cleanup standards has proven beneficial to our clients in achieving approval from the appropriate regulatory agencies on remedial measures that are both environmentally sound and cost effective.

PS&S maintains a training program for personnel including geologists, engineers, and scientists dealing with contaminated sites. PS&S field personnel are required to have the initial forty (40) hour health and safety training course in accordance with 29 CFR 1910.120 and to maintain their certification with the eight (8) hour refresher course given annually. In addition to this training, personnel assigned to contaminated sites have developed extensive experience in working on sites involving investigation, remediation, and post-remediation sampling and analysis of a wide range of contaminants, including heavy metals, PCB's and volatile and semi-volatile organic compounds.

Division of Air Quality

PS&S has specialized experience in performing air quality studies and analyses related to environmental permitting, evaluation of air pollution control requirements, regulatory compliance strategies, emissions characterization, emission control system and use of computer simulation models to predict air quality impacts from a variety of emission sources. PS&S provides a wide range of services in all facets of air quality including data collection, processing, and interpretation in support of permitting, regulatory compliance, and health risk assessment studies for many different types of facilities and operations. PS&S also provides expert testimony. Clients include chemical, pharmaceutical, electric power, transportation, and metallurgical industries, as well as numerous public and governmental agencies.

Division of Environmental Permitting and Planning

PS&S has extensive experience in working with Federal, State, County, and Municipal environmental regulatory agencies. PS&S has obtained environmental permits for numerous projects from the New York State Department of Environmental Conservation (NYSDEC), the United States Army Corps of Engineers (USACOE), the United States

Environmental Protection Agency (USEPA), the New Jersey Department of Environmental Protection (NJDEP) and County and Municipal agencies. Some of these permits have been obtained on accelerated schedules due to the existence of Administrative Consent Orders (ACO) imposed on Clients for whom we work.

PS&S has provided USACE, NJDEP, and NYSDEC environmental permitting and engineering services related to the dredging of sediments from the regional waters and the proper disposal of the dredged materials. PS&S has obtained the necessary permit authorizations for disposal of sediments at the USACE/EPA managed disposal site in the Atlantic Ocean (former Mud Dump Site, a.k.a. the Historic Area Remediation Site). PS&S has also provided services for the upland management of dredged materials whereby the sediments are processed with drying agents composed of cement, fly ash and/or kiln dust. The processed dredged materials are then utilized in a beneficial manner as daily landfill cover material or for a cap to remediate brownfield sites for subsequent development and as clean fill. This process was most recently conducted in the Meadowlands at the Koppers Seaboard Site in Kearny, New Jersey.

PS&S has also developed extensive experience in the preparation of technical documentation for Federal, State, Regional County, and Municipal permits and approvals.

Specific professional studies that provide support documentation for permitting and regulatory compliance assessments typically include air quality measurements and modeling, noise measurements, wetlands identification and delineation, threatened and endangered species analysis, wetlands mitigation and quality evaluation plans, coordination of bioassay, elutriate testing and benthic analyses for dredging operations, environmental sampling of soils, and surface and groundwater sampling. Important specialized experience in the area of wetlands has also been developed by PS&S. Pioneering techniques in remote sensing and resource evaluations have been used on major projects for the benefit of public and private Clients.

Other In-House Design Support Capabilities

The advantage of utilizing PS&S is our ability to bring to a project comprehensive engineering services. The benefit of PS&S's multidisciplinary approach is the ready availability of the in-house engineering support needed for tasks such as specification preparation, bidding assistance, construction shop drawing review, field monitoring services and project close-out. A summary overview of these additional in-house engineering services is presented below:

Geotechnical Engineering

The Geotechnical Engineering Department of PS&S was established to provide our Clients with expanded services on those projects requiring geotechnical, geologic, and hydrogeological investigations. PS&S has performed more than 1,500 geotechnical engineering studies of varied scope for more than 500 individual Clients.

PS&S offers a wide range of geotechnical services including: soil mechanics, foundation engineering, rock mechanics, geotechnology of solid waste materials, seismic analysis, engineering geology, geophysics and hydrogeology related to every conceivable type of project in the public and private sectors. The scope of PS&S services generally includes subsurface investigations, development of foundation design and site preparation criteria, preparation of geotechnical specifications, and inspection of foundation and earthwork construction.

PS&S has been instrumental in the development of economical engineering recommendations for site selection, site grading and fill placement, landfill design and closure, slope stability techniques, dewatering and foundation design. The geotechnical staff routinely provides the requisite engineering assistance on foundation evaluation and groundwater controls for sanitary projects including wastewater treatment facilities, traditionally located in lowlands and/or poor soil regions, in addition to deep pumping stations, gravity sewers and force mains.

In addition, PS&S's staff has expertise and experience regarding the design of landfill closure cover systems in compliance with both federal and state requirements. Typical cover section, which includes an upper vegetative cover will be designed with an intermediate drainage layer and a lower impermeable layer, includes percolation estimates utilizing the USEPA HELP Water Balance model, transmissivity analysis of the drainage layer, and analysis of internal stability/sliding along the interface between the cap and the underlying waste. PS&S would also evaluate whether the use of geosynthetics or properly selected recycled materials would be technically and economically feasible.

Civil Engineering

PS&S provides Civil engineering and surveying services for the preparation of conceptual studies, site plan designs, and construction documents, as well as review and observation of construction. The site work elements of the various stages of development include, but are not limited to, land surveying, coordination of aerial topography, site clearing and grading, storm water management, sanitary sewerage systems, water supply systems, utilities, pavements, roadways, landscaping, and site lighting. PS&S staff members testify before Municipal governing boards, County and State agencies, and regional authorities.

The Civil Engineering Department is a critical component of PS&S's landfill design team and is responsible for developing mass grading schemes which comply with regulatory requirements and consider the major geotechnical issues of settlement and slope stability. In accordance with regulatory requirements, run-on/run-off controls are developed to accommodate a specified storm event (typical 25 year, 24-hour storm). Other potential site infrastructure, which are within PS&S's capabilities, include internal roadways and haul roads, fire protection systems, water supply distribution, fencing, lighting, landscaping, security, and staging/storage areas. All applicable Soil Erosion and Sediment Control measures are also addressed. The Civil Engineering Department also assists with the all public hearings and presentations.

Sanitary/Facilities Engineering

PS&S's in-house Sanitary/Facilities Engineering staff has a mix of long-term experience in pilot studies, design, construction, start-up, troubleshooting, and operation of wastewater treatment and pretreatment facilities, related planning and other works covering average daily flows between one-half to three hundred thirty million gallons per day (MGD). PS&S's staff works toward design standards and approaches which produce creative and innovative solutions to traditional waste treatment problems, while at the same time do not discard conservative, time-tested and proven approaches.

PS&S's staff has experience with a wide range of waste treatment processes including preliminary treatment, primary clarification, activated sludge or trickling filter secondary treatment, nutrient conversion/removal, nitrification, denitrification, phosphorous removal, filtration, chlorine disinfection and dechlorination, ultraviolet disinfection, post-aeration, and associated sludge treatment processes including thickening, digestion, dewatering, incineration, and beneficial use of residuals.

Structural Engineering

PS&S provides structural engineering design services to owners, architects, and contractors to economical, structurally sound solutions to many interesting design and construction-related challenges. Our expertise includes complete structural design of foundation and superstructure systems for all types of structures, high-rise design, value engineering, cost estimating, contract bid review, and state-of-the-art computer analysis, design and drafting for all types of structures. The Structural Engineering staff also provides construction field observation, inspection and/or investigation of existing structures, and designs for rehabilitation of existing structures.

PS&S's Structural engineers have been successfully involved in numerous large-scale, fast-tracked projects. Structural drawings are produced ahead of the Architectural and Engineering disciplines with emphasis on foundation plans and on long-lead time items, such as structural steel. Once foundation permits are obtained and construction starts, drawings for different phases of the project are provided for coordination with other disciplines.

Mechanical/Electrical Engineering

The Mechanical/Electrical Engineering Department of PS&S provides total mechanical and electrical design services for public, commercial, industrial and institutional facilities. The design services offered include utilities, site lighting, HVAC systems, plumbing, fire protection, high and low voltage power, communications, instrumentation, total networking and security systems, and landfill venting system design.

The Mechanical/Electrical staff has been exposed to the unique requirements encountered in the logic, instrumentation, and control of various wastewater treatment processes. In addition, the delivery and handling of large air volumes, as well as odor control, have been accomplished on a wide range of wastewater applications.

PS&S staff members are experienced in coordinating with building officials for plan review and in developing conceptual, design and construction phase documents. These capabilities are further expanded and focused as the project scope and design phases develop.

RELEVANT ENVIRONMENTAL AND REMEDIATION SERVICES

PS&S offers the unique ability of providing a full suite of in-house design and environmental services ranging from site assessments and investigations through development of remedial strategies to implementation and construction. PS&S can conduct project reviews to ensure that the project is being performed on time and on budget and in conformance with programs

previously approved by the regulatory agency having jurisdiction over the site. As a result of our diverse project experience, services offered by PS&S may include the following:

- Peer Review: PS&S can review drafts of documents, prepared by other consultants/contractors, prior to submission to the regulatory agency, to minimize cycles of regulatory agency review and comments.
- Remedial Action Selection Review: Remedial action selection is the most cost-sensitive aspect of a remediation program. Factors which PS&S would integrate in a review of proposed remedial actions would include: applicable remediation technologies, capital versus operational and maintenance costs, future land use goals, client risk tolerance, active remediation versus institutional controls and evolving regulatory policies and perspectives.
- Remedial Action Monitoring and Documentation: PS&S can perform on-site observation and documentation of remedial actions to assure that the project is being performed in accordance with the agency-approved Remedial Action Work Plan and contract requirements. PS&S can place a representative in the field to observe the remedial action and document the work performed, document unexpected site conditions, perform confirmatory quality assurance environmental sampling and testing and document compliance with regulatory permit conditions.
- Remediation Contract Assistance: PS&S can provide a valuable role to assist clients with remediation contract administration. These services include the preparation or review of contract plans, specifications, contract drawings and bidding documents. As a result of our experience with other construction and remediation projects, PS&S can assist clients with the review of proposals and bids and interview prospective remediation contractors. PS&S can also provide technical assistance to complement the clients regulatory and public interface programs. PS&S could attend regular project meetings and assist with other project management/coordination functions including evaluation of project progress and schedule.
- Geotechnical Engineering Services: In support of remediation activities, PS&S can provide full service geotechnical engineering ranging from site investigations through the development of geotechnical/foundation recommendations to construction monitoring services. PS&S's experience includes earthwork, pile and other deep foundations, slope stability, permeability evaluations and the preparation of reports to building code officials.
- Closure Cover Design: PS&S's diverse landfill design experience encompasses the geotechnical, environmental and civil engineering aspects associated with design of closure covers. Relevant capabilities include engineering and design related to general site grading schemes, surface water management systems, landfill gas/ vapor collection and conveyance systems, leachate treatment/pre-treatment systems and operation and maintenance (O&M) manuals.

- Support Design Services: In support of remediation projects, PS&S offers a full range of in-house design engineering services. As an example, PS&S has designed equipment slabs and foundations, control buildings and other structures, piping and pumping systems and electrical power distribution and control systems.

TABLE 1
SUMMARY OF AVAILABLE SERVICES

Environmental Engineering

- | | |
|---|---------------------------------------|
| - Landfill Gas Control and Air Permitting | - Landfill Liner and Cover Design |
| - Air Quality Studies | - Water Quality Evaluations |
| - Solid Waste Management/Landfill Engineering | - Soil and Groundwater Investigations |
| - Environmental Site Assessments | - Hazardous Waste Studies |
| - Remedial Alternatives Analysis | - Landfill Closure Plans |
| - Remedial Action Workplans | - Expert Testimony |
| - Environmental Impact Studies | |

Geotechnical Engineering

- | | |
|----------------------------|----------------------------|
| - Site Selection Studies | - Soils Laboratory Testing |
| - Soil & Foundation Design | - Foundation Inspections |
| - Geophysical Analysis | - Expert Testimony |
| - Hydrogeological Studies | - Slope Stability Analysis |

Sanitary/Facilities Engineering

- | | |
|-----------------------------------|---------------------------------|
| - Wastewater Treatment | - Value Engineering |
| - Sewage Conveyance Systems | - Infiltration/Inflow Studies |
| - Evaluation of Operations | - Construction Phase Services |
| - Pilot Studies | - Industrial Pretreatment |
| - Sludge/Solid Waste Handling | - Water Supply |
| - Wastewater Management Planning | - Odor Control |
| - Condensate Treatment Evaluation | - Leachate Treatment Evaluation |

Civil Engineering

- | | |
|----------------------------|---------------------------|
| - Site Feasibility Studies | - Site Water Supply |
| - Site Plan Preparation | - Site Sewage Treatment |
| - Utility Master Planning | - Land & Aerial Surveys |
| - Surface Water Management | - Roadway Design |
| - Landfill Grading | - Landfill Gas Wellfields |

Structural Engineering

- | | |
|---------------------------|--------------------------|
| - Structural Design | - Construction Documents |
| - CADD | - Contractor Bid Review |
| - Building Investigations | - Field Inspection |
| - Value Engineering | - Expert Testimony |

Mechanical/Electrical Engineering

- | | |
|---|------------------------|
| - LF Gas Condensate Management Systems | - Lightning Protection |
| - Plumbing and Pumping Systems | - Fire Protection |
| - Building Renovations | - Site Lighting |
| - Electrical Power/Instrumentation/Controls | - HVAC Systems |
| - Cogeneration Facilities | |

Architectural*

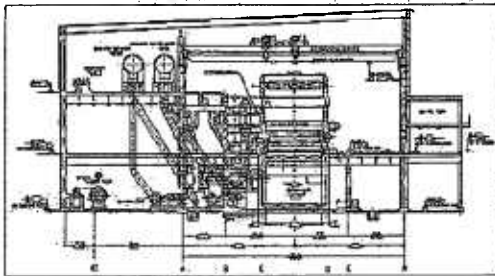
- | | |
|------------------------|--------------------------|
| - Building Evaluations | - Interior Design |
| - Building Design | - Construction Oversight |
| - Master Planning | - Regulatory Reviews |

* - Architectural services provided by Paulus, Sokolowski and Sartor, Engineering, PC or Paulus, Sokolowski and Sartor, Architecture, PC.

Visy Waste Paper Recycling Facility

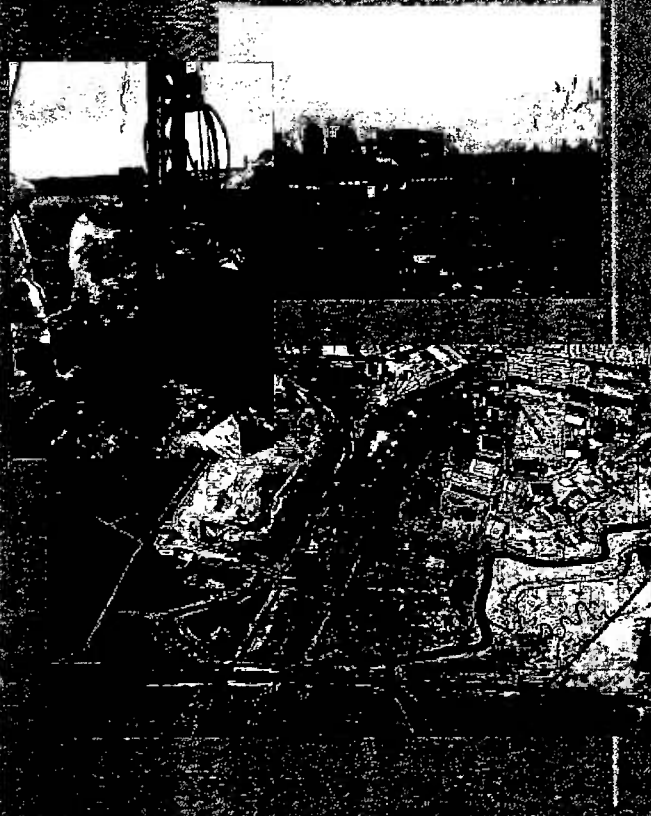
Staten Island, New York

- Remediation & Redevelopment of 35-acre industrial property
 - 500,000 sq. ft., \$250 million Waste Paper Facility
 - Largest industrial development in New York City since World War II
 - Formerly the location of a major electric utility and a compressed gas manufacturing facility
 - Significant site contamination including hundreds of buried compressed gas cylinders
- PS&S provided total design & environmental services
 - Remedial Investigation
 - Negotiated cleanup agreement with NYSDEC
 - Remedial Action Documentation and Monitoring
 - Brownfield Redevelopment Plan
 - Siting Feasibility Studies
 - Environmental Permitting & Planning
 - Air Quality & Noise Studies



Meadowlands Golf Redevelopment Project

EnCap Golf Holdings

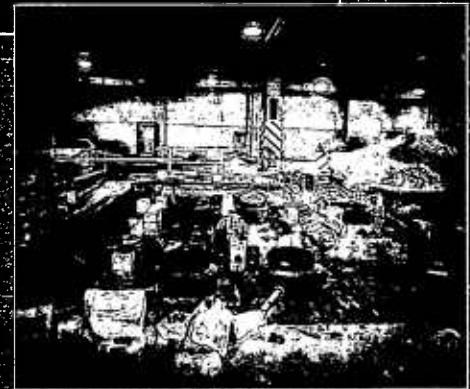
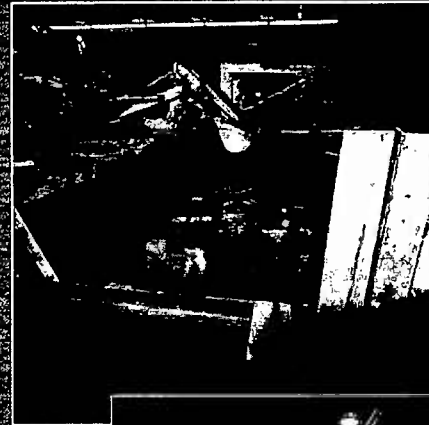


- 450-acres, comprised of three landfills in Hackensack Meadowlands district of Bergen County, NJ
- Proposed beneficial reuse of the site includes:
 - 36 hole golf course complex
 - office space
 - hotel/resort complex w/spa & conference center
 - possible timeshare or residential units
- Performed environmental permitting, civil engineering & geotechnical engineering consulting services
- Prepared a remedial design package for landfill closure & post-closure care
- Conducted a landfill gas survey & a geotechnical and hydrogeologic investigation
- Prepared a wetlands mitigation plan in accordance with NJDEP & ACOE wetland criteria
- Obtained conceptual NJDEP approval of a Remedial Action Workplan/Closure Plan (RAW/CP) & a Major Landfill Disruption approval

New York City Department of Sanitation – Multiple Facilities

New York, New York

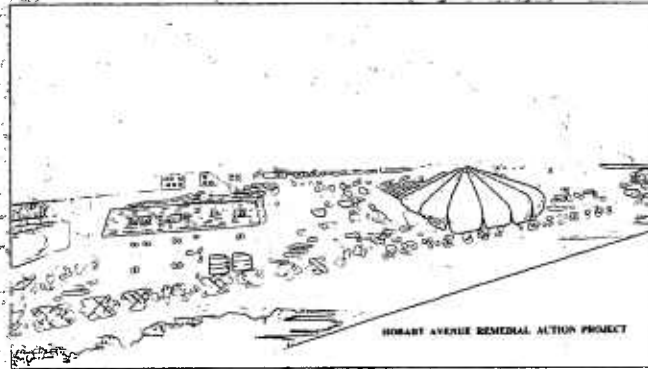
- Delineated extent of free-phase product (motor fuels) beneath Department of Sanitation facility through the installation and observation of monitoring wells
- Designed state-of-the-art system for the passive recovery of non-aqueous phase liquid including a customized container box installed on the sidewalk to house recovery tank and electronic controls
- Obtained necessary permits from the State and City of New York
- Employed site telemetry for real-time remote monitoring of the function of multiple recovery points
- Prepared closure plans and provided oversight for the removal of identified underground storage tanks



Hobart Ave MGP RA - Bayonne, New Jersey

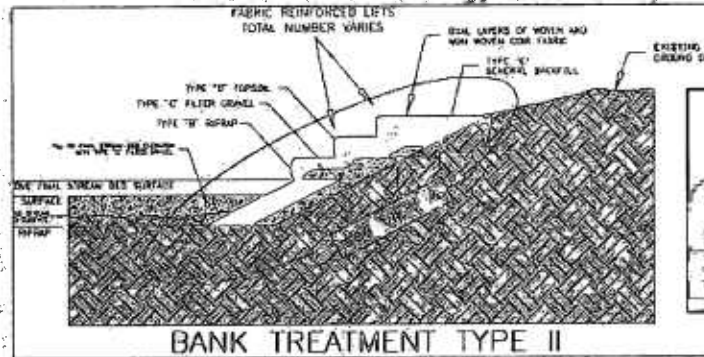
Staff Experience

- MGP operation from 1870-1910 +/- on 2.5 acre site
- Various other industrial uses until 1960 when developed for residential use
- Soils and groundwater contaminated with high levels of coal tar residuals (BTEX, PAHs, and metals)
- Remedial action included demolition of homes, excavation of 50,000 tons of soil within an enclosure (Level C/ Level B PPE), and off-site thermal treatment of soil
- Use of real-time perimeter air monitoring system
- Project included full site restoration (road, sidewalk, utilities) for future residential development



Riverton MGP RA - Riverton, New Jersey

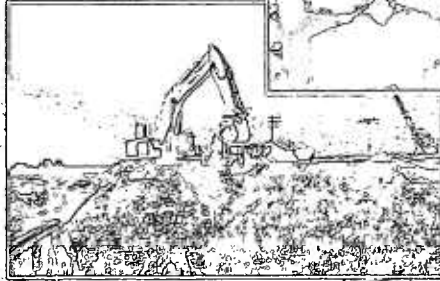
Staff Experience



- Small scale MGP operation in early 1900's on 1.5 acre site
- Site re-developed years later for residential use (6 homes) in up-scale neighborhood with meandering stream at edge of site
- Soils and groundwater lightly contaminated
- Remedial action included excavation of 4000 tons of soil in the open for off-site thermal treatment / reuse. Project also included restoration of stream
- Community outreach program key to successful completion of project

Huron North Redevelopment Area

Atlantic City, New Jersey

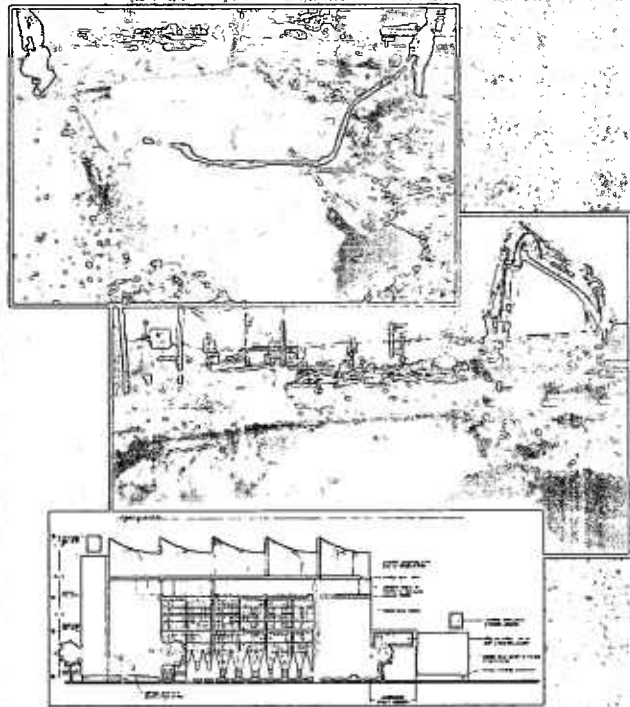


Environmental Services:

- Cleanup agreement with state environmental agency
- Completed remedial environmental investigations
- Gained approval of cleanup work plan
- Performing on-site observation and documentation for landfill closure & brownfield remediation
- Performed ecological studies supporting permit applications & wetlands reclassification

Marina Thermal Facility

Atlantic City, New Jersey



Environmental Compliance Services:

- Phase I Environmental Site Assessment
- Soil & groundwater sampling and analysis programs
- Preparation of Remedial Investigation Report / Remedial Action Workplan
- Implementation of interim remedial actions
- Monitoring of remedial action field activities
- Preparation of Progress Reports
- Liaison with NJDEP

Other Services:

- Environmental permitting
- Air permitting & atmospheric dispersion modeling
- Structural design of facility

Departmental Personnel & Experience

		Compliance					Natural Resources			Planning					Waste		Air		Risk & PM											
		Contamination Delineation/Site Remediation	Phase I & II Environmental Site Assessment	Soil Investigations	Regulatory Compliance & Permitting	Underground Storage Tank Analysis	Hydrogeological Investigations	Site & Facility Characterizations	Natural Resource Inventories	Wetland Studies	Threatened & Endangered Species Surveys	Floodplain Analysis	Terrestrial & Aquatic Biology	Environmental Permitting & Documentation	Land Use Analysis	Professional Planning	Fiscal & Socio-Economic Impact Analysis	Site Plan, Conditional Use & Variance Review	NEPA/SEQRA	Expert Testimony	Solid Waste Management	Spill Prevention & Compliance	Alternative Treatment Technologies	Air Sampling & Monitoring	Air Quality Permitting	Atmospheric Dispersion Modeling	Human Health Risk Assessment	Ecological Risk Assessment	Toxicology & Epidemiology	Project Management
M. Barboza																														
W. Berk																														
J. Bolan																														
J. Brzozowski																														
D. Charette																														
T. Chleboski																														
I. Desvousges																														
D. Grossmueller																														
B. Kirkpatrick																														
P. Kuyk																														
L. LaBrie																														
J. Lefrier																														
G. Mason																														
D. McInerney																														
E. McLoughlin																														
B. McPeak																														
S. Oliver																														
J. Pastorick																														
G. Regan																														
J. Sartor																														
J. Szeman																														
J. Van Sciver																														
D. Whitehead																														
L. Whitehead																														
T. Zetkovic																														
Civil Engineering																														
Electrical Engineering																														
Mechanical Engineering																														
Sanitary Engineering																														

ATTACHMENT 2

Preliminary Site Assessment Work Plan Outline

PRELIMINARY SITE ASSESSMENT

WORK PLAN OUTLINE

A copy of a document entitled "Information Taken from the Initial Data Submittal to The New York State Department of Environmental Conservation", dated November 1999, was provided by KEYSPAN as part of the RFI. This document contained limited available historical information regarding the operations conducted at the Far Rockaway MGP site. It is PS&S ENG, PC's understanding that the information in this document was submitted by KEYSPAN in response to the requirement in the Order on Consent, dated September 9, 1999, entered into by KEYSPAN and The New York State Department of Environmental Conservation (NYSDEC), that KEYSPAN submit all data in its possession regarding environmental conditions at the site. Based on a review of this information, it appears that little information is available regarding past operations at the site or regarding the storage or releases of contaminants at the site. Currently, the site is not owned by KEYSPAN and is reported to be occupied by two buildings used for non-industrial commercial purposes (i.e., an import/export warehousing and office facility and a trucking facility).

PS&S ENG, PC, subsequently received a document entitled "Preliminary Site Assessment Work Plan, Order on Consent D1-0001-99-05, NYSDEC Site Number 2-41-032 Far Rockaway MGP Site", dated April 2002, prepared by VHB/Vanasse Hangen Brustlin, Inc. According to KEYSPAN representatives this Preliminary Site Assessment Work Plan (PSA) was approved by the NYSDEC. Therefore, the following scope of work, outlined in this proposal, would follow the guidelines set forth in the approved PSA Work Plan.

The PSA procedure comprises three steps, the goal of which is to permit the NYSDEC to determine if a site should be classified for remediation or be delisted. It is PS&S ENG, PC's understanding that the above-referenced 1999 Information document was submitted by KEYSPAN to NYSDEC as the first step in the PSA process (i.e., Records Search), but was found by NYSDEC to be insufficient to permit classification of the site. Therefore, as stated in the April 2002 PSA Work Plan, a records review and detailed site reconnaissance would be conducted. Following completion of the records review and site reconnaissance and based upon the findings of the Step 1 investigation the Step 2 (Soil Investigation) and Step 3 (Groundwater Investigation) programs would be conducted.

Accordingly, as requested in the RFI, PS&S ENG, PC has prepared the following outline of the investigations to be conducted based upon the approved PSA Work Plan. PS&S ENG, PC's implementation of this program would be coordinated with KEYSPAN representatives who would arrange for site access and would be conducted to minimize the time investigation personnel and equipment would be on-site thereby minimizing impacts to the site owner and tenants.

The proposed soil sampling program anticipates the installation of eleven soil borings using direct push methodology (i.e., Geoprobe) to a maximum depth of 15 feet below ground surface and the collection of two soil samples from each boring for laboratory analysis. The proposed groundwater monitoring program, which anticipates the installation of seven temporary groundwater monitoring wells in selected soil borings and the collection of groundwater samples for laboratory analysis to assess the presence, and concentration, of MGP-related contaminants in

site groundwater. The proposed investigation program also anticipates collection of surface soil samples at various site locations, collection of soil vapor samples at various locations along the perimeter of existing on-site structures, and the excavation of one shallow test trench in the area of the former gas holder to investigate the presence of buried structures and presence of MGP-related contaminants.

The following work plan outline assumes that KEYSPAN has acquired an access agreement with the property owner of the project site for the performance of this proposed work scope. Prior to the implementation of a detailed site reconnaissance or any intrusive field investigations, the NYSDEC, the current property owner and tenants on the project site, and owners of adjacent properties will be notified by KEYSPAN. Further, based on the results of the site reconnaissance to be performed by PS&S ENG, PC, modifications to the proposed scope of work and associated costs may be required.

PROJECT CHRONOLOGY

- Conduct a records review of historical information regarding the site which includes but is not limited to, site plans provided by KEYSPAN, construction documents and plans, utility information and plans, historical records as maintained by local departments (i.e., building, city engineer, tax assessor, etc.)
- Coordinate with KEYSPAN to obtain site access for the purposes of conducting a detailed site reconnaissance which would be targeted towards identifying any areas of environmental concern and for assessing site access for equipment, material storage, work areas, etc. necessary for the conduct of the investigation program.
- Prepare site investigation location plan (e.g., soil borings, temporary groundwater monitoring wells, surface soil samples, soil vapor samples, test trench) to address identified site areas of concern and other general site areas of potential interest. Prepare list of analytical parameters.
- Prepare preliminary anticipated schedule (i.e., milestone chart) for project tasks.
- Solicit price quote(s) from Drilling Contractor(s) and Analytical Laboratory(ies).
- Prepare health and safety plan for PS&S ENG, PC personnel. Confirm selected Drilling Contractor has prepared its own HASP.
- Request Utility Markout, Request locations of underground utilities and other on-site substructures known to the site owner.
- Coordinate with KEYSPAN site representative regarding program implementation and mobilization to site.
- Coordinate mobilization to site and initiation of field operations with selected Drilling Contractor.
- Maintain photo-documentation of all soil and groundwater sampling locations prior to initiation of sample collection and following restoration of sampling areas.

- Conduct site investigation program and collect samples for laboratory analysis. Relinquish samples, under standard chain-of-custody documentation, to laboratory for analysis.
- Drilling Contractor to restore surfaces in areas of intrusive investigations (e.g., Backfill boreholes with drill cuttings and install concrete surface plug. Backfill test trench with excavated materials in compacted lifts and restore surface).
- Coordinate with KEYSPAN site representative regarding demobilization from site.
- Review analytical data reported by the laboratory for the site samples and compare to current cleanup criteria.
- Prepare report of findings.

RECORDS REVIEW PROGRAM OUTLINE

- Interview the site's owner or designated representative to obtain information regarding: the nature of the operations conducted at the subject site; knowledge of any past or present environmental incidents; use, storage, handling or disposal of hazardous materials; and, records of environmental permits obtained by the owner or any tenants. It is understood that KEYSPAN will arrange for the availability and cooperation of a representative for such interview, and for that representative to be present during our site reconnaissance.
- PS&S ENG, PC would obtain and review readily available past and recent aerial photographs containing the subject site and, to the extent disclosed by such photographs, indicate the general nature of the past and present use of the land in the immediate vicinity of the subject site.
- PS&S ENG, PC would review available site ownership information, as may be provided by KEYSPAN, identifying previous property owners of the subject site for the past 60 years. PS&S ENG, PC would review this information to identify the name of former owners that are known by PS&S ENG, PC to be associated with activities of environmental concern. PS&S will not perform an independent search to discover the identity of past owners, nor shall PS&S be responsible to investigate the activities of any previous owners whose name and/or nature of business is not immediately known to PS&S ENG, PC.
- Fire insurance maps (i.e. Sanborn Maps) would be obtained, if available, and reviewed for information regarding potential storage of hazardous substances on the subject site and use of adjacent properties as may be discerned from such maps.
- PS&S ENG, PC will make inquiries, via certified mail, of: the local health and fire departments; the New York State Department of Environmental Conservation (NYSDEC) and the United States Environmental Protection Agency (USEPA), Freedom of Information Officer. Information would be requested from each of these entities concerning records of the storage, disposal, spills, or releases of hazardous substances requiring environmental response actions on, or adjacent to, the subject site. PS&S will visit or contact the local agencies by telephone to attempt to expedite responses and to interview at least one staff member of that agency.

- PS&S ENG, PC would also utilize a commercial environmental information service to obtain data regarding state and federal environmental program records for the area of the subject site. State and federal standard environmental record sources provided by the service generally include: Federal NPL site list, Federal CERCLIS list, Federal RCRA TSD facilities, Federal RCRA generator list, Federal ERNS list, State list of hazardous waste sites, State landfill/solid waste disposal site lists, State LUST list and State registered UST list.

SOIL SAMPLING PROGRAM OUTLINE

• Subsurface Soil Sampling Plan

- Based on the results of the detailed site reconnaissance, establish locations for eleven (11) on-site borings at identified AOCs and other locations of potential interest. Drilling method to be employed: Direct Push Methodology (Geoprobe).
- Consult with KEYSPAN site representative and current site owner/representative regarding locations of proposed soil borings to confirm no known conflicts with subsurface utilities or other subsurface structures.
- Implement soil boring program and collect two (2) soil samples from each of eleven (11) on-site boring locations.
- Monitor soil samples retrieved from boreholes with portable field photoionization detector (PID) for the presence of organic vapors. Utilize monitoring results in the selection of samples for laboratory analysis.
- Maintain a log of soils encountered in each borehole using the Unified Soil Classification System. Record PID readings on boring log.
- Relinquish soil samples to laboratory, under standard chain-of-custody documentation, for analysis.
- Driller to backfill boreholes with cuttings to within 0.5 ft of surface. Remainder of borehole to be filled with concrete. Excess cuttings will be containerized (e.g., drummed), labeled and temporarily stored on-site. KEYSPAN will manage all drummed materials generated during the field investigation program.

• Surface Soil Sampling Plan

- Establish surface soil sample locations (on-site and within the immediate area of the site) based on the results of the detailed site reconnaissance.
- Implement program for the collection of a total of fourteen (14) surface soil samples for laboratory analysis to assess potential area impacts from the former MGP operations at the subject site. Samples would be collected from the top 2 to 3 inches of soil at the sample location.
- Relinquish soil samples to laboratory, under standard chain-of-custody documentation, for analysis

- **Test Trench Sampling Plan**

- Based on the results of the detailed site reconnaissance, establish location for one shallow (0 to 4 feet below grade) test trench to be excavated in the reported area of the former gas holder at the site to investigate the presence of buried structures and presence of MGP-related contaminants.
- Consult with KEYSPAN site representative and current site owner/representative regarding locations of proposed test trench to confirm no known conflicts with subsurface utilities or other subsurface structures.
- Implement test trench excavation program to assess potential impacts from the former MGP operations at the subject site. Maintain a log of soils encountered using the Unified Soil Classification System. Collect up to three soil samples for laboratory analysis.
- Monitor soil excavated from the test trench with portable field photoionization detector (PID) for the presence of organic vapors. Utilize monitoring results in the selection of samples for laboratory analysis. Record PID readings on test trench log.
- Relinquish soil samples to laboratory, under standard chain-of-custody documentation, for analysis.
- Test trench to be backfilled with excavated materials in compacted lifts to within 0.5 ft of surface. Remainder of test trench to surface grade to be restored similar to immediately adjacent conditions. Excess excavated material will be containerized (e.g., drummed), labeled and temporarily stored on-site. KEYSPAN will manage all drummed materials generated during the field investigation program.

- **Laboratory Analysis Plan**

- Soil sample, including field and trip blanks (QA/QC), to be analyzed for the presence of volatile organic compounds (VOCs), semivolatile organic compounds (SVOCs), metals and cyanide. Laboratory analysis is anticipated to be performed on a standard "turn-around time" basis. Analysis performed on an expedited "turn-around time" basis will be at additional cost. The laboratory report would follow a New York Reduced Deliverables format (e.g., analytical results plus some QA data).

GROUNDWATER SAMPLING PROGRAM OUTLINE

- **Groundwater Sampling Plan**

- Establish locations for temporary on-site groundwater monitoring wells to be installed in seven (7) of the eleven (11) soil borings to be drilled at the site. Well installations to be completed as 1-in. O.D. wells.
- Collect one groundwater sample from each temporary on-site well.

- Monitor wellhead with portable field photoionization detector (PID) for the presence of organic vapors.
 - Maintain well construction log for each temporary well. Record PID readings on logs.
 - Relinquish groundwater samples to laboratory, under standard chain-of-custody documentation, for analysis
- **Laboratory Analysis Plan**
 - Groundwater samples, including QA/QC samples, to be analyzed for the presence of volatile organic compounds (VOCs), semivolatile organic compounds (SVOCs), metals and cyanide. Laboratory analysis is anticipated to be performed on a standard “turn-around time” basis. Analysis performed on an expedited “turn-around time” basis will be at additional cost. The laboratory report would follow a New York Reduced Deliverables format (e.g., analytical results plus some QA data).

SOIL VAPOR SAMPLING PLAN

- Based on the results of the detailed site reconnaissance, establish five (5) soil vapor sampling locations in the immediate vicinity of existing site buildings to address identified AOCs and other locations of potential interest. Sample probes would be installed using Direct Push Methodology (Geoprobe).
- Consult with KEYSPAN site representative and current site owner/representative regarding locations of proposed soil borings to confirm no known conflicts with subsurface utilities or other subsurface structures.
- Implement soil vapor sampling program and collect one (1) soil vapor sample from each probe location plus one (1) duplicate sample.
- Relinquish soil vapor samples to laboratory, under standard chain-of-custody documentation, for analysis.

SURVEY

- Survey all sampling locations using horizontal and vertical controls.
- Provide a topographic survey which would include structures, contours and drainage features.

QUALITY ASSURANCE PLAN OUTLINE

- Program Description
- Project Organization and Responsibility
- Data Quality Objectives

- Sampling Procedures
- Sample Custody
- Calibration Procedures and Frequency
- Analytical Procedures
- Data Reduction, Validation and Reporting
- Internal Quality Control
- Performance and Systems Audit
- Preventive Maintenance
- Data Assessment Procedures
- Corrective Action
- Quality Assurance Reports
- Tables, Figures & Appendices
 - Tables:
 - Figures:
 - Appendices:

HEALTH AND SAFETY PLAN OUTLINE

- Introduction
- Project Personnel
- Hazard Analysis
- Work Zones and Site Control
- Personal Protective Equipment Program
- Record Keeping
- Training
- Air Monitoring
- Medical Surveillance
- Decontamination Procedures
- Communication
- Emergency Response
- Tables, Figures & Appendices
 - Tables
 - List of Potential Contaminants in Site Soils
 - Task Specific Levels of PPE
 - Site Specific Health & Safety Action Levels

- Emergency Contact Information
- Figures
 - Site Plan
 - Route Map to Hospital/Medical Facility
- Appendices
 - Location of nearest Hospital/Medical Facility
 - NIOSH Guides for Anticipated Site Contaminants

DATA REVIEW AND REPORT PREPARATION

- Review analytical data reported by the laboratory for the site soil and groundwater samples and compare to current NYSDEC cleanup criteria.
- Prepare summary tables comparing analytical data to soil cleanup criteria.
- Assess whether exceedences of cleanup criteria are indicated and determine if exceedences are in identified AOCs.
- Prepare site drawings indicating sampling locations, locations of exceedences of soil cleanup criteria, and locations of identified AOCs.
- Prepare summary report of findings.
- Submit draft report to KEYSPAN for review and comment.
- Revise report to address KEYSPAN comments, if any.
- Finalize report for submission to NYSDEC.
- Address NYSDEC comments, if any.
 - * - PS&S ENG, PC would provide responses to a reasonable number of NYSDEC comments for the purpose of clarification. The NYSDEC comments requiring new work or studies, not described in this proposal and/or not directly related to the submittal would be considered out of scope.
- Revise report to address reviewing agency comments and submit final report for agency approval.
- Tables, Figures & Appendices
 - Tables:
 - List of Sample Analysis Parameters
 - Summary of Laboratory Analysis Results

- Figures:
 - Site Location
 - Site Plan
 - Soil Boring Locations
- Appendices:
 - Soil Boring Logs
 - Laboratory Analysis Re

ATTACHMENT 3

Anticipated Project Schedule

Draft Project Schedule
Preliminary Site Assessment
Former Far Rockaway Manufactured Gas Plant

ID		Task Name	Duration	Start	Finish	September	October	November	December	January	February	March	April
1		Project Kick-Off	0 days	Thu 10/17/02	Thu 10/17/02								
2		Premobilization Activities	18 days	Wed 10/23/02	Fri 11/15/02								
3		Site Reconnaissance	0 days	Wed 10/23/02	Wed 10/23/02								
4		Review Existing Data and Conduct Records Review	17 days	Thu 10/24/02	Fri 11/15/02								
5		Coordinate with Laboratory, Driller, and Request Markout	5 days	Thu 10/24/02	Wed 10/30/02								
6		Prepare Draft HASP and Submit to KeySpan	10 days	Thu 10/24/02	Wed 11/6/02								
7		KeySpan Review Draft HASP	2 days	Thu 11/7/02	Fri 11/8/02								
8		PS&S finalize HASP and Re-Submit to KeySpan	3 days	Mon 11/11/02	Wed 11/13/02								
9		NYSDEC Review of HASP	2 days	Thu 11/14/02	Fri 11/15/02								
10		PS&S Prepare Work Plan Ammendment & Submit to KeySpan	7 days	Thu 10/24/02	Fri 11/1/02								
11		KeySpan Review Work Plan Ammendment	2 days	Mon 11/4/02	Tue 11/5/02								
12		PS&S finalize Work Plan Ammendment and Re-Submit to KeySpan	3 days	Wed 11/6/02	Fri 11/8/02								
13		NYSDEC Review of Work Plan Ammendment	5 days	Mon 11/11/02	Fri 11/15/02								
14		Obtain Street Opening Permit (No Later Than)	0 days	Fri 11/15/02	Fri 11/15/02								
15		Finalize ROE's with Property Owners (No Later Than)	0 days	Fri 11/15/02	Fri 11/15/02								
16		Attend RR Training - (No Later Than)	0 days	Fri 11/15/02	Fri 11/15/02								
17		Implement Soil, Groundwater, and Soil Vapor Sampling Program	5 days	Mon 11/18/02	Fri 11/22/02								
18		Preliminary Analytical Data Available From Laboratory	0 days	Fri 12/6/02	Fri 12/6/02								
19		Review Analytical Laboratory Data	10 days	Mon 12/9/02	Fri 12/20/02								
20		Prepare Draft Report	25 days	Mon 11/25/02	Fri 12/27/02								
21		Submit Draft Report to KeySpan for Review	0 days	Fri 12/27/02	Fri 12/27/02								
22		KeySpan Review of Draft Report	10 days	Mon 12/30/02	Fri 1/10/03								
23		PS&S Incorporate KeySpan Comments	10 days	Mon 1/13/03	Fri 1/24/03								
24		Submit Report to NYSDEC	0 days	Fri 1/24/03	Fri 1/24/03								
25		NYSDEC Review of Report	20 days	Mon 1/27/03	Fri 2/21/03								
26		PS&S Incorporate NYSDEC Comments w/KeySpan Input	10 days	Mon 2/24/03	Fri 3/7/03								
27		Re-Submit Report to NYSDEC	0 days	Fri 3/7/03	Fri 3/7/03								
28		NYSDEC Review of Revised Report	15 days	Mon 3/10/03	Fri 3/28/03								
29		NYSDEC Approval of Revised Report	0 days	Fri 3/28/03	Fri 3/28/03								

ATTACHMENT 4

Project Personnel and Rate Schedule

PROJECT PERSONNEL and RATE SCHEDULE

PS&S ENG, PC PERSONNEL RATES BY TITLE PRELIMINARY SITE ASSESSMENT FORMER FAR ROCKAWAY MANUFACTURED GAS PLANT	
TITLE	RANGE OF HOURLY RATES
Principal/Associate Principal	\$170
Department/Div. Manager/Dir. of Surveying/Associate Principal	\$155 - \$168
Senior Project/Project Manager/Project Architect	\$140 - \$160
Project Engineer/Scientist/Planner/Surveyor	\$115 - \$140
Sr. Engineer/Designer/Scientist/Planner/Surveyor/Spec. Writer	\$105 - \$120
Staff Engineer/Designer/Scientist/Planner/Surveyor/Intern Architect	\$80 - \$100
Senior Draftperson/Technician/Field Technician	\$60 - \$80
Draftperson/Technician/Graphic Artist/CADD Operator	\$50 - \$60
Administrative Assistant/Word Processor/Administration	\$30 - \$75
All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA). Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002. The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under Rules 90 and 91.	

PS&S ENG, PC PERSONNEL BY TITLE PRELIMINARY SITE ASSESSMENT FORMER FAR ROCKAWAY MANUFACTURED GAS PLANT	
TITLE	PERSONNEL
Principal/Associate Principal	Joseph J. Lifrieri, P.E., P.G.
Department/Div. Manager/Dir. of Surveying/Associate Principal	John A. Sartor, P.E.
Senior Project/Project Manager/Project Architect	William J. Berk
Project Engineer/Scientist/Planner/Surveyor	John M. Pastorick
Sr. Engineer/Designer/Scientist/Planner/Surveyor/Spec. Writer	Brad Joshnick
Staff Engineer/Designer/Scientist/Planner/Surveyor/Intern Architect	Joseph Trocchio
Senior Draftperson/Technician/Field Technician	Colleen Hunter
Draftperson/Technician/Graphic Artist/CADD Operator	Eric Shull
Administrative Assistant/Word Processor/Administration	Elin Larsen
All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA). Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002. The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under Rules 90 and 91.	

ATTACHMENT 5

Project Specific Tasks Cost Estimate

**PROJECT SPECIFIC TASKS COST ESTIMATE
PRELIMINARY SITE ASSESSMENT
SOIL AND GROUNDWATER SAMPLING AND LABORATORY ANALYSIS
PROGRAM
FAR ROCKAWAY MANUFACTURED GAS PLANT SITE**

TASK	ESTIMATED COSTS *
Records Review, Detailed Site Reconnaissance, coordination with KEYSPAN and Site Owner	\$6,967.00
Field Program (including driller, laboratory)	\$50,311.00
Review of Site Data and Lab Data	\$4,294.00
Field Survey	\$10,504.00
Draft Report preparation, graphics, revisions (i.e., address KEYSPAN comments)	\$13,622.00
Address NYSDEC comments	\$2,014.00
Final Report (hard copies, electronic copies)	\$2,752.00
Health and Safety Services	\$9,500.00
TOTAL	\$99,964.00

All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA). Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002. The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under Rules 90 and 91.

* Please see Project Cost Estimate Worksheet A in Attachment 6 for personnel-hour breakdown for this fee estimate.

ATTACHMENT 6

Project Cost Estimate Work Sheet Estimated Personnel Hours

PROJECT NAME:		PROJECT COST ESTIMATE WORK SHEET A KEYSPAN - Far Rockaway MGP Site PSA Soil and Groundwater Sampling Program						Date : Proposal # :	Rev. 11/11/02 9002.714.004
Task No.	Task Description	Estimated Personnel Hours by Title							
		Senior Project/Project Manager/Project Architect	Project Engineer / Scientist / Planner/ Surveyor	Senior Engineer /Designer/ Scientist / Planner/ Surveyor/ Spec Writer	Staff Engineer /Designer/ Scientist / Planner/ Surveyor/ Intern Architect	Senior Draftsperson / Technician / Field Technician	Draftsperson / Technician / Graphic Artist/ CADD Operator	Administrative Assistant/ Word Processor/ Administration	Estimated Cost
1	Project administration/Coordination with KEYSPAN/Coordination with subcontractors, Safety Training for PS&S personnel for work along NW property line at LIRR tracks	4	0	4	0	0	0	1	\$1,069
2	Review Historical Data Provided by KEYSPAN for Site	2	0	8	0	0	0	0	\$1,160
3	Conduct detailed site reconnaissance to observe site conditions, site access, potential work areas, equipment storage, etc.	4	0	8	0	0	0	0	\$1,456
4	Records Review	8	4	10	0	0	4	6	\$3,282
5	Coordinate mobilization to site and implementation of field sampling program with KEYSPAN / Driller / Lab/ Property Owner	1	0	0	6	0	0	2	\$742
6 (A)	Implement soil boring / temporary groundwater monitoring well/test trench sampling program , Restoration of boreholes, temporary monitoring wells,test trench location, Coordinate demobilization from site with KEYSPAN	4	0	56	56	0	0	0	\$11,344
7	Review Analytical Lab Report and evaluate Site Data	3	0	10	20	0	0	2	\$3,294
8	Field Survey	4	0	15	8	0	5	2	\$3,304
9	Prepare Draft Report and submit to KEYSPAN for review and comment	5	2	50	30	10	10	10	\$10,012
10	Revise report to incorporate KEYSPAN comments and submit to NYSDEC	4	0	14	6	0	2	6	\$3,010
11 (B)	Address NYSDEC comments on report	4	0	8	4	0	2	2	\$2,014
12	Prepare final report and submit to NYSDEC for approval	4	0	8	8	0	4	8	\$2,752
Estimated Personnel Hours		47	6	191	138	10	27	39	
Estimated Average Rate/Hour		\$148	\$121	\$108	\$84	\$61	\$66	\$45	
Estimated Personnel Cost									\$43,439
Estimated Reimbursable Expenses (Mileage, Tolls, Printing, Electronic Report Copies (CD-ROM), Overnight Mail Service, etc.)									\$2,500
Estimated PS&S Project Costs									\$45,939
Subcontracted Drilling Contractor Cost Estimate (Direct Push Methodology) (C)									\$7,885
Subcontracted Analytical Laboratory Cost Estimate (soil samples, groundwater samples,soil vapor samples, etc. on a Standard Turnaround Time)									\$29,640
Subcontracted Topographical Survey									\$7,000
Subcontracted Health and Safety Services									\$9,500
Estimated Project Costs									\$99,964

NOTES:

6(A) - For purposes of estimating it has been assumed that a total of five field days would be required to implement the soil and groundwater sampling program.

Should unexpected delays occur due to a conflict with current on-site business operations additional costs may be incurred.

Normal working hours are Monday thru Friday from 9:00 a.m. to 5:00 p.m.

11(B) - PS&S would provide responses to a reasonable number of NYSDEC comments for the purpose of clarification. The NYSDEC comments requiring new work or studies, not described in this proposal and/or not directly related to the submittal would be considered out of scope. Additionally, PS&S assumes all permit application fees would be paid by others.

Drilling Contractor (C) - For purposes of estimating it has been assumed that a total of five field days would be required to implement the soil and groundwater sampling program.

Should unexpected delays occur due to a conflict with current on-site business operations additional costs may be incurred.

Normal working hours are Monday thru Friday from 9:00 a.m. to 5:00 p.m. Weekend work is subject to a \$350.00 surcharge plus the daily rate for the equipment.

A \$150.00/hour overtime would be charged for work exceeding a Normal Workday.

All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA).

Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002.

The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under Rules 90 and 91.

ATTACHMENT 7

Unit Costs for Subcontracted Services

UNIT COSTS
SUBCONTRACTED SERVICES
SOIL AND GROUNDWATER SAMPLING PROGRAM
FORMER FAR ROCKAWAY MANUFACTURED GAS PLANT

LABORATORY ANALYTICAL SERVICES

Analysis	Analytical Method	NY Category B Full Deliverables	
		Unit Cost (Standard TAT)	Unit Cost (Expedited TAT)
BTEX	8260B	48.00	60.00
VOC + 10	8260B	90.00	112.50
SVOC + 15	8270C	165.00	206.25
Cyanide	9010/9014	21.00	26.25
RCRA Metals	6010B/7471A	65.00	81.25
TCL + 30	8260B, 8260C, 8081/8082		
TAL Metals	6010B/7470A/9010	653.00	816.25
Field Blank	All Parameters	269.00/653.00	336.25/816.25
Trip Blank	8260B	90.00	112.50
TO - 15	TO - 15	425.00	531.25

DRILLING SERVICES

MOB/Demob	75.00 Per Mob/Demob
GeoProbe 5400 w/Two Man Crew	1175.00 Per Day
Sample Charge	7.00 Per Sample
Monitoring Point Installation Materials	185.00 Per Point
Monitoring Point Abandonment	650.00 Per Day
Drums	45.00 each
Excavator w/Operator and Helper	1350.00 Per Day
HASP	250.00
Weekend Surcharge Rate	350.00 Per Day
Normal Work Day Overtime	150.00 Per Hour

HEALTH AND SAFETY SERVICES

Health and Safety Services	9,500.00
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Proposal/Contract
No.: 9002-714-04
Date: October 8, 2002
(Revised November 11, 2002)

SCHEDULE OF CHARGES AND GENERAL CONDITIONS

I. PAYMENT FOR SERVICES

- A. When Paulus, Sokolowski and Sartor Engineering, P.C. (PS&S ENG, PC) is to be paid on the basis of time expended and expenses incurred on the project, compensation shall be determined as noted in Sections I and II hereunder. Time spent by principals of the company will be billed at a rate of \$170 per hour. When operating in a design capacity, principal time will be billed at the appropriate rate for the service supplied.
- B. All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with the Affiliate Transaction Rules of the New York State Public Service Commission and SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA). Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002. The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under the Affiliate Transaction Rules of the New York State Public Service Commission and SEC Rules 90 and 91.

<u>Classification</u>	<u>Rate Per Hour</u>	
	<u>Minimum</u>	<u>Maximum</u>
Department/Div. Manager/ Dir. of Surveying/Associate Principal	155	168
Senior Project/Project Manager/Project Architect	140	160
Project Engineer/Scientist/Planner/Surveyor	115	140
Sr. Engineer/Designer/Scientist/Planner/Surveyor/Spec Writer	105	120
Staff Engineer/Designer/Scientist/Planner/Surveyor/Intern Architect	80	100
Senior Draftperson/Technician/Field Technician	60	80
Draftperson/Technician/Graphic Artist/CADD Operator	50	60
Administrative Assistant	60	75
Word Processor/Administration	30	50

II. PAYMENT FOR OTHER DIRECT NON-SALARY EXPENSES

- A. All other expenses incurred will be separately billed at actual cost. Such expenses include, but are not limited to: subcontractor, consultant, laboratory, and other outside vendor charges; long-distance phone and other communications; reproduction; special equipment costs necessary for project execution; special insurance premiums; and any other costs not otherwise part of main office overhead. Reproductions made with company equipment will be billed at \$0.10 per 8 1/2" x 11" to 11" x 17" sheet; for black and white, and \$0.75 per sheet for color reproductions.
- B. The use of company or employee owned cars on the project will be billed at the rate authorized by the Internal Revenue Service (\$0.365 per mile as of the Effective Date of this Schedule). In the event rental vehicles are used at the option of the firm, the actual rental charges plus 15 percent will be billed in lieu of the mileage rate.

SCHEDULE OF CHARGES AND GENERAL CONDITIONS (cont.)

Page 2 of 2

III. INVOICES AND PAYMENT TERMS

Unless otherwise agreed to in writing, invoices for all services regardless of billing type (time and expense, fixed fee etc.) will be issued on a monthly basis, payable within 30 days of the invoice date. Interest at one percent per month (but not exceeding the maximum rate allowable by law) will be payable on any principal amount not paid within 30 days, payment thereafter to be applied first to accrued interest and then to the principal unpaid amount. All reasonable attorney's fees or other costs incurred in collecting any delinquent amounts shall be paid by the Client.

PS&S ENG, PC has the right to suspend services or terminate its obligations under this agreement if any invoiced amounts are not paid within 60 days. Once services are suspended for nonpayment, they will be resumed at the convenience of PS&S ENG, PC when all principal amounts and accrued interest are paid in full. In the event of termination, PS&S ENG, PC has the right to payment from the Client for reasonable costs associated with termination. Any election to suspend services shall not preclude a later election to terminate. Any failure by PS&S ENG, PC to terminate or suspend services shall not constitute a waiver of these or any other rights. All rights and remedies in this Section III are in addition to, and are not be construed in any way as a limitation of, any rights and remedies available at law or equity.

IV. TAXES

The Client shall pay the cost of any sales, use, excise, value added or similar tax which is or may become applicable to the services provided by PS&S ENG, PC. All invoiced amounts shall be increased by the amount of any such tax.

V. PROFESSIONAL STANDARD OF CARE

PS&S ENG, PC shall perform its services in a manner consistent with that level of care and skill ordinarily exercised by other professional consultants under similar circumstances at the time of the provision of its services. No other representations to Client, express or implied, and no warranty or guarantee is included or intended in this agreement, or in any report, document or other communication of any nature.

VI. DISPUTE RESOLUTION & LIMITATIONS OF LIABILITY

In the event of any dispute with respect to the performance or terms and conditions of services, PS&S ENG, PC and the Client agree to use their best efforts to resolve the dispute amicably. In the absence of such resolution, either party may seek remedies available to it at law or in equity. In no event shall either PS&S ENG, PC or the Client be liable to each other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such claim is based upon alleged breach of contract, willful misconduct, or negligent act or omission.

D

PROJECT NAME:		PROJECT COST ESTIMATE WORK SHEET A						Date :	Rev. 11/11/02
		KEYSPAN - Far Rockaway MGP Site PSA Soil and Groundwater Sampling Program						Proposal # :	9002.714.004
Task No.	Task Description	Estimated Personnel Hours by Title							
		Senior Project/Project Manager/Project Architect	Project Engineer / Scientist / Planner/ Surveyor	Senior Engineer /Designer/ Scientist / Planner/ Surveyor/ Spec Writer	Staff Engineer /Designer/ Scientist / Planner/ Surveyor/ Intern Architect	Senior Draftsperson / Technician / Field Technician	Draftsperson / Technician / Graphic Artist/ CADD Operator	Administrative Assistant/ Word Processor/ Administration	Estimated Cost
1	Project administration/Coordination with KEYSPAN/Coordination with subcontractors, Safety Training for PS&S personnel for work along NW property line at LIRR tracks	4	0	4	0	0	0	1	\$1,069
2	Review Historical Data Provided by KEYSPAN for Site	2	0	8	0	0	0	0	\$1,160
3	Conduct detailed site reconnaissance to observe site conditions, site access, potential work areas, equipment storage, etc.	4	0	8	0	0	0	0	\$1,456
4	Records Review	8	4	10	0	0	4	6	\$3,282
5	Coordinate mobilization to site and implementation of field sampling program with KEYSPAN / Driller / Lab/ Property Owner	1	0	0	6	0	0	2	\$742
6 (A)	Implement soil boring / temporary groundwater monitoring well/test trench sampling program , Restoration of boreholes, temporary monitoring wells,test trench location, Coordinate demobilization from site with KEYSPAN	4	0	56	56	0	0	0	\$11,344
7	Review Analytical Lab Report and evaluate Site Data	3	0	10	20	0	0	2	\$3,294
8	Field Survey	4	0	15	8	0	5	2	\$3,304
9	Prepare Draft Report and submit to KEYSPAN for review and comment	5	2	50	30	10	10	10	\$10,012
10	Revise report to incorporate KEYSPAN comments and submit to NYSDEC	4	0	14	6	0	2	6	\$3,010
11 (B)	Address NYSDEC comments on report	4	0	8	4	0	2	2	\$2,014
12	Prepare final report and submit to NYSDEC for approval	4	0	8	8	0	4	8	\$2,752
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Estimated Personnel Cost									\$43,439
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Subcontracted Topographical Survey									\$7,000
Subcontracted Health and Safety Services									\$9,500
Estimated Project Costs									\$99,964

NOTES:

6(A) - For purposes of estimating it has been assumed that a total of five field days would be required to implement the soil and groundwater sampling program. Should unexpected delays occur due to a conflict with current on-site business operations additional costs may be incurred. Normal working hours are Monday thru Friday from 9:00 a.m. to 5:00 p.m.

11(B) - PS&S would provide responses to a reasonable number of NYSDEC comments for the purpose of clarification. The NYSDEC comments requiring new work or studies, not described in this proposal and/or not directly related to the submittal would be considered out of scope. Additionally, PS&S assumes all permit application fees would be paid by others.

Drilling Contractor (C) - For purposes of estimating it has been assumed that a total of five field days would be required to implement the soil and groundwater sampling program. Should unexpected delays occur due to a conflict with current on-site business operations additional costs may be incurred. Normal working hours are Monday thru Friday from 9:00 a.m. to 5:00 p.m. Weekend work is subject to a \$350.00 surcharge plus the daily rate for the equipment. A \$150.00/hour overtime would be charged for work exceeding a Normal Workday.

All time spent by PS&S ENG, PC personnel, other than principals, will be billed at the rates listed below, which rates are at cost, in accordance with SEC Rules 90 and 91 under the Public Utility Holding Company Act (PUHCA). Please note that personnel rates may change from time to time depending on adjustments to base salary and other cost factors allowed under Rules 90 and 91. Non-salary reimbursable expenses (subcontractors, equipment rental, analytical testing, mileage, toll, parking etc.) will be billed at cost. Current minimum and maximum rates for each personnel classification are as noted in the table below. These rates will remain effective through December 31, 2002. The noted rates may thereafter be modified by PS&S ENG, PC based on adjustments to base salary and other cost factors allowed under Rules 90 and 91.

WORK ORDER/AGREEMENT

THIS AGREEMENT effective as of the 15th day of November, 2002, between PAULUS, SOKOLOWSKI AND SARTOR ENGINEERING, P.C. (PS&S ENGINEERING, PC) and PAULUS, SOKOLOWSKI AND SARTOR, LLC (PS&S), is for the provision of professional engineering services required for the project known as KeySpan Corporate Services, LLC, Former Far Rockaway Manufacturing Gas Plant, #9002-714-000 (the Project).

WHEREAS, PS&S ENGINEERING, PC entered into an agreement with KeySpan Corporate Services, LLC (the Client) for the provision of professional services for the Project, dated November 11, 2002 (the Prime Agreement); and

WHEREAS, PS&S and PS&S ENGINEERING, PC entered into a Services Agreement dated March 5, 1993 (the Services Agreement); and

WHEREAS, pursuant to the Services Agreement, both parties thereto agree to have PS&S provide professional engineering services to PS&S ENGINEERING, PC from time to time, as more fully set forth in Work Orders to be entered into by both parties; and

WHEREAS, circumstances now exist pursuant to which the parties desire to enter into a Work Order;

NOW, THEREFORE, in consideration of the above and other good and valuable consideration, PS&S ENGINEERING, PC and PS&S hereby agree as follows:

1. PS&S shall perform all professional engineering services required to be provided by PS&S ENGINEERING, PC on the Project to the same extent that PS&S ENGINEERING, PC is required to perform such services pursuant to the Prime Agreement for the Project. This work will be completed and delivered to PS&S ENGINEERING, PC in sufficient time as to enable PS&S ENGINEERING, PC to meet any schedules and/or deadlines applicable to the Project.
2. All professional engineering services provided by PS&S shall be rendered by PS&S in its capacity as an independent professional and not as an employee of PS&S ENGINEERING, PC. PS&S and its employees assigned to the Project shall exercise independent professional judgment consistent with accepted standards of the practice of professional engineering in all matters dealing with professional engineering on this Project.
3. This Agreement is to be performed in accordance with that certain Services Agreement between PS&S and PS&S ENGINEERING, PC dated March 5, 1993, which is incorporated herein by reference.
4. Compensation to PS&S for services rendered hereunder shall be at the rate schedule established for the Project, plus any additional sums as may be authorized by the Client pursuant to the Prime Agreement.

IN WITNESS WHEREOF, PS&S and PS&S ENGINEERING, PC acting herein by the duly authorized representatives, agree to the terms and conditions contained herein.

PAULUS, SOKOLOWSKI AND SARTOR, LLC

BY: 

ANDREW R. DAVIS

TITLE: VICE PRESIDENT

PAULUS, SOKOLOWSKI AND SARTOR ENGINEERING, P.C.

BY: 

EMAD YOUSSEF

TITLE: VICE PRESIDENT



KeySpan Corporate Services, LLC

Purchase Order

PURCHASE ORDER NO.

139917

REVISION

PAGE

1

THIS PURCHASE ORDER NO. MUST APPEAR ON ALL INVOICES, PACKING LISTS, CARTONS AND CORRESPONDENCE RELATED TO THIS ORDER.

SHIP TO:

REFERENCE DESCRIPTION FIELD
FOR SHIP TO ADDRESS

United States

BILL TO:

KeySpan Accounts Payable
Phone: 718-403-5131
One Metrotech Center
Brooklyn, NY 11201

VENDOR:

PAULUS SOKOLOWSKI AND SARTOR
67A MOUNTAIN BLVD EXT
PO BOX 4039
WARREN, NJ 070590039
United States

CUSTOMER NUMBER	VENDOR NUMBER	PO DATE	BUYER
	0010316	31-OCT-02	Lawrence, W
PAYMENT TERMS	SHIP VIA	FOB	
NET 15		NOT APPLICABLE	
FREIGHT TERMS	REQUESTOR	VENDOR CONTACT	
NOT APPLICABLE		GEORGE KUHN (732) 5609700	

ITEM	DESCRIPTION	DUE DATE	QUANTITY	U/M	UNIT PRICE	EXTENDED PRICE	TAX
	THIS CONTRACT PURCHASE AGREEMENT IS ISSUED TO PAULUS , SOKOLOWSKI AND SARTOR (PS&S) TO SUPPLY ALL LABOR , EQUIPMENT AND MATERIALS NECESSARY TO PERFORM A PRELIMINARY SITE ASSESSMENT AT THE FORMER FAR ROCKAWAY MANUFACTURED GAS PLANT IN ACCORDANCE WITH THE FOLLOWING DOCUMENTS: 1) KEYSPAN SOLICITATION Q-WJL-02-21 DATED AUGUST 13, 2002 2) REVISED KEYSPAN SOLICITATION Q-WJL-02-21 DATED OCTOBER 1, 2002 3) PAULUS, SOKOLOWSKI AND SARTOR PROPOSAL DATED AUGUST 28, 2002 AND REVISION PROPOSALS DATED OCTOBER 8, 2002 AND OCTOBER 29, 2002 PRICING: WORK TO BILLED IN ACCORDANCE WITH THE RATE SCHEDULES ATTACHED TO THIS PURCHASE ORDER. PLEASE NOTE: THE AMOUNT AGREED AND PURCHASE ORDER TOTAL WHICH APPEARS IS THE AUTHORIZED CUMALATIVE MAXIMUM TOTAL OF EXPENDITURE ALLOWABLE AGAINST THIS CONTRACT. IT DOES NOT REPRESENT ACTUAL COMMITMENT TO SPEND THE AMOUNT WITHIN THE TERM OF THE ORDER NOR DOES IT IMPLY A LUMP SUM PAYABLE DUE. PO - CONTACTS COMMERCIAL The following individuals are to be contacted for questions relative to this solicitation/order: For all matters of a commercial nature contact William Lawrence, Purchasing Department at (516) 545- 4372, or write to KeySpan Corporate Services LLC, 175 E. Old Country Rd., Hicksville , NY 11801, Attn: William Lawrence , Purchasing Department. Commercial matters include pricing, clarifications to terms and conditions, negotiation of changes (additions or deletions),						

For the application of sales tax when rendering an invoice, the vendor shall adhere to the following:

- For taxable materials and/or services delivered within the State of New York, the vendor shall not include sales tax as per Direct Payment Permit - DP-3471 (I.D. # 11-3431358). A copy of the permit will be provided upon request or can be found at www.keyspanenergy.com.
- For taxable materials and/or services delivered within the Commonwealth of Massachusetts, the vendor shall not include sales tax as per Direct Payment Permit 00011 (Registration #11-3431358). A copy of the permit will be provided upon request or can be found at www.keyspanenergy.com.
- For materials and/or services delivered within the State of New Hampshire, the vendor shall not include sales tax.

PURCHASE ORDER TOTAL:

125,000.00

BY:

AUTHORIZED SIGNATURE

TERMS AND CONDITIONS

This purchase order shall be deemed accepted by seller upon receipt by KeySpan Corporate Services, LLC (hereinafter referred to as the "Company") of any writing, transmitted by means of electronic transmission or otherwise, indicating acceptance, or by any of the following: (i) shipment of the goods, materials, merchandise or commodities ("collectively, the Goods") or any portion thereof, (ii) commencement of any work on the site, or (iii) performance of any services hereunder. This purchase order expressly limits seller's acceptance to the terms of this order and notice of Company's objection to any different or additional terms in any response to this order is hereby given. All Goods furnished must be in accordance with specifications or samples submitted and will be subject to the inspection and approval of the Company at any time, within a reasonable time after delivery. No Goods furnished shall be deemed accepted unless so approved and the decision of the Company shall be final. The seller must strictly comply with the specifications or samples submitted and no substitution shall be permitted. If any Goods do not comply with specifications or submitted samples, such Goods will be held with reasonable care for reshipment only, at the risk and expense of the seller. Payment shall not constitute an acceptance of the Goods, work or services, or impair the Company's right to inspect or reject same, or pursue any remedies with regard thereto.

The Company's failure to specify a particular defect or non-conformity of Goods shall not constitute a waiver of the rights to rely on that defect or non-conformity to justify such rejection.

If an order is not priced, the Company will not be bound unless the order is filled at prices no higher than the lower of those last quoted or charged the Company or the lowest available market price, unless such increased prices shall have been authorized in writing by an authorized representative of the Company's Purchasing Department.

No invoice shall be delivered by the seller to any employee of the Company. A separate invoice shall be rendered for each order, or for each shipment (if more than one) made on an order. Invoice and bill of lading or express receipt shall be dated and mailed to the Company's Accounts Payable Department on the day of actual shipment. Goods shipped in excess of those ordered will be returned at the seller's expense and risk. Payment terms are as set forth on the front of this purchase order.

Every package, bill of lading, delivery ticket and invoice must be marked with the purchase order and release number of the Company.

An itemized delivery ticket bearing the Company's purchase order and release number must be left with the Goods to insure their receipt. If delivery is made by carrier, an itemized delivery ticket must be attached to the outside of the package.

Delays in shipment shall be reported immediately by the seller to the Company.

Charges for freight, insurance, express services, cartage or packing will not be allowed or paid for by Company unless expressly stated on this purchase order.

The seller warrants and represents that the goods, work or services shall be delivered free of any third party claim for infringement of any copyright, trademark, service mark, patent rights or any other proprietary or intellectual proprietary rights that may affect the adoption or use of the Goods, work or services contracted for under this purchase order. The seller shall hold harmless and indemnify the Company for the payment of any royalties, damages, losses or expenses claimed or established against the Company on behalf of any person, firm or corporation for or arising out of such infringement or other obligation for which the seller is alleged to be responsible. The Company has the right in its discretion to cancel the undelivered portion of an order upon receipt by it of a notice or claim charging infringement.

Any act or omission done by the seller in violation or disregard of the foregoing terms and conditions shall not be binding upon the Company nor shall the Company be responsible for any damage or loss to the seller arising out of or in consequence of any such act or omission.

If the seller fails in any respect to perform under this purchase order, the same may be treated by the Company, at its option, as a material breach which shall entitle the Company not only to recover for defaults or violations of the order but also to refuse to accept further performance thereof from the seller. The Company may cover, by making in good faith, any reasonable purchase of the Goods or contract for work or services in substitution for those due from the seller and the Company may recover from the seller as damages the difference between the cost of the contract price together with any incidental or consequential damages. Should seller become insolvent, make an assignment for the benefit of creditors pursuant to the federal or any state statute if a voluntary or involuntary petition in bankruptcy is filed by or against the seller or if a receiver is appointed, the Company may also treat same as a material breach.

An order shall not, nor shall any right to receive payment or any other interest therein, be transferred or assigned by the seller to any person, firm or corporation without the written consent of the Company.

Seller shall bear the risk of loss for all Goods, work and service prior to the Company's acceptance thereof.

It is warranted that any Goods, work or services described on the reverse side hereof, have been or will be produced, provided and sold in compliance with the provisions of any and all federal, state, and other laws applicable thereto. The seller further represents and warrants that all Goods covered by the purchase order shall conform to the specifications or samples submitted, and that the Goods will be merchantable, of good quality and workmanship, free from defect and fit and sufficient for the particular purposes intended.

The seller will indemnify and hold harmless the Company and its subsidiaries and affiliated companies against any and all liabilities whatsoever for damages and/or injuries which may be incurred by the Company or affiliated companies by virtue of defective material or workmanship in the Goods, work or services supplied hereunder.

In the event this purchase order is not the sole contract document for the Goods, work or services described herein, but is supplemented by an additional agreement, the terms and conditions of such additional agreement shall prevail over any conflicting provisions of this purchase order.

The bids or prices quoted are made without connection with any other person, firm or corporation quoting prices or making bids for the same Goods, work or services and are in all respects fair, and made without collusion or fraud. The Company reserves the right to accept all or part of any bid.

This purchase order shall be governed by New York State Law, without regard to its choice of laws rules. Any action arising out of or relating to this purchase order will be brought in New York State Supreme Court, Kings County or United States District Court for the Eastern District of New York.

The seller and its subcontractors shall comply with the following:

- a). Executive Order No. 11246, as amended, relative to Equal Employment Opportunity;
- b). the affirmative action clause and reporting requirements of the Federal statute and regulations applicable to the hiring of disabled veterans and veterans of the Vietnam era; and
- c). the affirmative action clause of the Federal statute and regulations applicable to the hiring of individuals with physical or mental handicaps.



KeySpan Corporate Services, LLC

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KeySpan Accounts Payable
Phone: 718-403-5131
One Metrotech Center
Brooklyn, NY 11201

VENDOR:

PAULUS SOKOLOWSKI AND SARTOR
67A MOUNTAIN BLVD EXT
PO BOX 4039
WARREN, NJ 070590039
United States

CUSTOMER NUMBER	VENDOR NUMBER	PO DATE	BUYER
	0010316	31-OCT-02	Lawrence, W
PAYMENT TERMS	SHIP VIA	FOB	
NET 15		NOT APPLICABLE	
FREIGHT TERMS	REQUESTOR	VENDOR CONTACT	
NOT APPLICABLE		GEORGE KUHN (732) 5609700	

ITEM	DESCRIPTION	DUE DATE	QUANTITY	U/M	UNIT PRICE	EXTENDED PRICE	TAX
	solicitation of proposals and similar matters. Commercial matters are not to be discussed with other than the Purchasing Department. No changes which affect the terms and conditions may be put into effect without prior written approval of William Lawrence.						
	PO CONTACT - TECHNICAL For all technical and scheduling issues contact Mr. Ted Leissing : tel no. (516) 545 - 2563 Fax No. (516) 545 - 2582						
	PO - CONTACT SELLER Contacts: Name and telephone number of the person in seller's organization who can be contacted for the purpose of: Information related to this proposal/or purchase order: Name: Mr. Joseph Lifrieri : Tel. No. (732) 560 - 9700 Fax No. (732) 560 - 9768 For all matters relating to payment of invoices, please call Accounts Payable at (718) 403-2468. Purchase order number must appear on all invoices, shipping papers and correspondence relative to this order.						

For the application of sales tax when rendering an invoice, the vendor shall adhere to the following:

1. For taxable materials and/or services delivered within the State of New York, the vendor shall not include sales tax as per Direct Payment Permit - DP-3471 (I.D. # 11-3431358). A copy of the permit will be provided upon request or can be found at www.keyspaneenergy.com.
2. For taxable materials and/or services delivered within the Commonwealth of Massachusetts, the vendor shall not include sales tax as per Direct Payment Permit 00011 (Registration #11-3431358). A copy of the permit will be provided upon request or can be found at www.keyspaneenergy.com.
3. For materials and/or services delivered within the State of New Hampshire, the vendor shall not include sales tax.

PURCHASE ORDER TOTAL:

125,000.00

BY: _____

AUTHORIZED SIGNATURE

TERMS AND CONDITIONS

This purchase order shall be deemed accepted by seller upon receipt by KeySpan Corporate Services, LLC (hereinafter referred to as the "Company") of any writing, transmitted by means of electronic transmission or otherwise, indicating acceptance, or by any of the following: (i) shipment of the goods, materials, merchandise or commodities ("collectively, the Goods") or any portion thereof, (ii) commencement of any work on the site, or (iii) performance of any services hereunder. This purchase order expressly limits seller's acceptance to the terms of this order and notice of Company's objection to any different or additional terms in any response to this order is hereby given. All Goods furnished must be in accordance with specifications or samples submitted and will be subject to the inspection and approval of the Company at any time, within a reasonable time after delivery. No Goods furnished shall be deemed accepted unless so approved and the decision of the Company shall be final. The seller must strictly comply with the specifications or samples submitted and no substitution shall be permitted. If any Goods do not comply with specifications or submitted samples, such Goods will be held with reasonable care for reshipment only, at the risk and expense of the seller. Payment shall not constitute an acceptance of the Goods, work or services, or impair the Company's right to inspect or reject same, or pursue any remedies with regard thereto.

The Company's failure to specify a particular defect or non-conformity of Goods shall not constitute a waiver of the rights to rely on that defect or non-conformity to justify such rejection.

If an order is not priced, the Company will not be bound unless the order is filled at prices no higher than the lower of those last quoted or charged the Company or the lowest available market price, unless such increased prices shall have been authorized in writing by an authorized representative of the Company's Purchasing Department.

No invoice shall be delivered by the seller to any employee of the Company. A separate invoice shall be rendered for each order, or for each shipment (if more than one) made on an order. Invoice and bill of lading or express receipt shall be dated and mailed to the Company's Accounts Payable Department on the day of actual shipment. Goods shipped in excess of those ordered will be returned at the seller's expense and risk. Payment terms are as set forth on the front of this purchase order.

Every package, bill of lading, delivery ticket and invoice must be marked with the purchase order and release number of the Company.

An itemized delivery ticket bearing the Company's purchase order and release number must be left with the Goods to insure their receipt. If delivery is made by carrier, an itemized delivery ticket must be attached to the outside of the package.

Delays in shipment shall be reported immediately by the seller to the Company.

Charges for freight, insurance, express services, cartage or packing will not be allowed or paid for by Company unless expressly stated on this purchase order.

The seller warrants and represents that the goods, work or services shall be delivered free of any third party claim for infringement of any copyright, trademark, service mark, patent rights or any other proprietary or intellectual proprietary rights that may affect the adoption or use of the Goods, work or services contracted for under this purchase order. The seller shall hold harmless and indemnify the Company for the payment of any royalties, damages, losses or expenses claimed or established against the Company on behalf of any person, firm or corporation for or arising out of such infringement or other obligation for which the seller is alleged to be responsible. The Company has the right in its discretion to cancel the undelivered portion of an order upon receipt by it of a notice or claim charging infringement.

Any act or omission done by the seller in violation or disregard of the foregoing terms and conditions shall not be binding upon the Company nor shall the Company be responsible for any damage or loss to the seller arising out of or in consequence of any such act or omission.

If the seller fails in any respect to perform under this purchase order, the same may be treated by the Company, at its option, as a material breach which shall entitle the Company not only to recover for defaults or violations of the order but also to refuse to accept further performance thereof from the seller. The Company may cover, by making in good faith, any reasonable purchase of the Goods or contract for work or services in substitution for those due from the seller and the Company may recover from the seller as damages the difference between the cost of the contract price together with any incidental or consequential damages. Should seller become insolvent, make an assignment for the benefit of creditors pursuant to the federal or any state statute if a voluntary or involuntary petition in bankruptcy is filed by or against the seller or if a receiver is appointed, the Company may also treat same as a material breach.

An order shall not, nor shall any right to receive payment or any other interest therein, be transferred or assigned by the seller to any person, firm or corporation without the written consent of the Company.

Seller shall bear the risk of loss for all Goods, work and service prior to the Company's acceptance thereof.

It is warranted that any Goods, work or services described on the reverse side hereof, have been or will be produced, provided and sold in compliance with the provisions of any and all federal, state, and other laws applicable thereto. The seller further represents and warrants that all Goods covered by the purchase order shall conform to the specifications or samples submitted, and that the Goods will be merchantable, of good quality and workmanship, free from defect and fit and sufficient for the particular purposes intended.

The seller will indemnify and hold harmless the Company and its subsidiaries and affiliated companies against any and all liabilities whatsoever for damages and/or injuries which may be incurred by the Company or affiliated companies by virtue of defective material or workmanship in the Goods, work or services supplied hereunder.

In the event this purchase order is not the sole contract document for the Goods, work or services described herein, but is supplemented by an additional agreement, the terms and conditions of such additional agreement shall prevail over any conflicting provisions of this purchase order.

The bids or prices quoted are made without connection with any other person, firm or corporation quoting prices or making bids for the same Goods, work or services and are in all respects fair, and made without collusion or fraud. The Company reserves the right to accept all or part of any bid.

This purchase order shall be governed by New York State Law, without regard to its choice of laws rules. Any action arising out of or relating to this purchase order will be brought in New York State Supreme Court, Kings County or United States District Court for the Eastern District of New York.

The seller and its subcontractors shall comply with the following:

- a). Executive Order No. 11246, as amended, relative to Equal Employment Opportunity;
- b). the affirmative action clause and reporting requirements of the Federal statute and regulations applicable to the hiring of disabled veterans and veterans of the Vietnam era; and
- c). the affirmative action clause of the Federal statute and regulations applicable to the hiring of individuals with physical or mental handicaps.



KeySpan Corporate Services, LLC

Purchase Order

PURCHASE ORDER NO.

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KeySpan Accounts Payable
Phone: 718-403-5131
One Metrotech Center
Brooklyn, NY 11201

VENDOR:

PAULUS SOKOLOWSKI AND SARTOR
67A MOUNTAIN BLVD EXT
PO BOX 4039
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CUSTOMER NUMBER	VENDOR NUMBER	PO DATE	BUYER
	0010316	31-OCT-02	Lawrence, W
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NET 15		NOT APPLICABLE	
FREIGHT TERMS	REQUESTOR	VENDOR CONTACT	
NOT APPLICABLE		GEORGE KUHN (732) 5609700	

ITEM	DESCRIPTION	DUE DATE	QUANTITY	U/M	UNIT PRICE	EXTENDED PRICE	TAX
	Invoices should be sent to: KeySpan Corporate Services, LLC One Metro Tech Center Brooklyn, NY 11201 Attention: Accounts Payable Invoices Invoices shall be sent to Accounts Payable at the address listed in the payment section above. Invoices shall match the purchase order and/or release exactly and include the following: Your company name, address, phone #, contact, Tax ID no. Invoice Number and Date Purchase Order Number Release Number (if applicable) Related line number of PO Description, Quantity, Unit Price, Extended Amount Purchase Agreement Effective From: 01-NOV-02 To: 31-MAR-03 Amount Agreed: 125000						

For the application of sales tax when rendering an invoice, the vendor shall adhere to the following:

- For taxable materials and/or services delivered within the State of New York, the vendor shall not include sales tax as per Direct Payment Permit - DP-3471 (I.D. # 11-3431358). A copy of the permit will be provided upon request or can be found at www.keyspanenergy.com.
- For taxable materials and/or services delivered within the Commonwealth of Massachusetts, the vendor shall not include sales tax as per Direct Payment Permit 00011 (Registration #11-3431358). A copy of the permit will be provided upon request or can be found at www.keyspanenergy.com.
- For materials and/or services delivered within the State of New Hampshire, the vendor shall not include sales tax.

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The seller and its subcontractors shall comply with the following:

- a). Executive Order No. 11246, as amended, relative to Equal Employment Opportunity;
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