

CONFIDENTIAL DISCLOSURE AGREEMENT

This **CONFIDENTIAL DISCLOSURE AGREEMENT** (“Agreement”), dated as of _____, is between [NEW YORK STATE ELECTRIC & GAS CORPORATION or ROCHESTER GAS AND ELECTRIC CORPORATION], a New York corporation (“NYSEG” or “RG&E”), and **PRODUCER**, a _____ corporation (“_____”) (each a “Party” and collectively the “Parties”).

WHEREAS, [Producer] and [NYSEG or RG&E] may enter into discussions regarding the potential development of natural gas assets, systems, and facilities in New York State (the “Project(s)”); and

WHEREAS, to enable [PRODUCER] and [NYSEG or RG&E] to enter into discussions regarding the Project(s), it will be necessary for each Party to evaluate certain aspects of, and information concerning, the business and technical aspects of the Project(s); and

WHEREAS, such evaluation will necessarily involve NYSEG, on the one hand, or [PRODUCER], on the other (the “Furnishing Party”), furnishing to the other Party (the “Receiving Party”) certain information concerning the Furnishing Party’s business, finances, and technical data; and

WHEREAS, the Parties wish to protect the confidentiality of the Confidential Information (as hereinafter defined) and to limit the manner in which the Receiving Party may use such Confidential Information;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Except as provided in Paragraph 2 hereof, the term “Confidential Information” is defined as any and all information concerning the business, assets, finances, and operations of the Furnishing Party or its affiliate(s) (defined below) that has been or may in the future be disclosed to the Receiving Party, where such information is noted as “Confidential” and communicated in oral, written (including electronic) or other form. As used herein, the term “affiliate” means any person or entity controlling, controlled by, or under common control with a Party hereto through majority stock, or other ownership interest, direct or indirect.

2. Confidential Information shall not include information that (i) is or hereafter becomes (but not in violation of this Agreement) known to the general public; (ii) was already known to Receiving Party at the time it was disclosed to Receiving Party by Furnishing Party; (iii) is disclosed to Receiving Party by an independent third party which Receiving Party has a reasonable belief has a right to make such disclosure; or (iv) is independently developed by or for Receiving Party without reliance upon the information disclosed by the Furnishing Party.

3. Subject to Paragraph 5, Receiving Party shall not disclose Confidential Information to any person without the prior written consent of Furnishing Party, except that Receiving Party shall be entitled to disclose such Confidential Information without Furnishing Party's prior consent to (i) directors, officers, and employees of itself and its affiliates, and (ii) accountants, financial, legal, and engineering advisors, agents, and representatives of the persons specified in (i) (collectively, "Project Personnel"), to the extent such Project Personnel have a need to know such Confidential Information to assist Receiving Party in the evaluation of the Confidential Information for the purposes specified in this Agreement. Receiving Party shall cause any Project Personnel described in (i) and (ii) to be bound by the conditions stated herein.

4. Receiving Party shall use at least the same degree of care that it uses to protect its own confidential information (but not less than a reasonable degree of care) to prevent access by unauthorized persons to Confidential Information and shall inform its Project Personnel of the Confidential Information and be responsible for their compliance with the terms of this Agreement. Neither Receiving Party nor any Project Personnel shall use Confidential Information other than for purposes of evaluating the Project(s) and the possibility of entering into an agreement with Furnishing Party pertaining to the Project(s).

5. In the event Receiving Party is required under compulsion of legal or regulatory process to disclose Confidential Information, Receiving Party (i) shall promptly give Furnishing Party written notice of such requirement to disclose and (ii) unless required by applicable federal, state, or local law, rule, or regulation, a court or administrative order, or other legal process, shall refrain from disclosing such Confidential Information until Furnishing Party, in the exercise of reasonable diligence, shall have had an opportunity to challenge the requirement or to seek an appropriate protective order or other appropriate remedy. Receiving Party agrees not to oppose reasonable actions by Furnishing Party to challenge disclosure of the Confidential Information. If Confidential Information is required to be disclosed, such disclosure shall be made solely for the required purpose and shall be limited to that portion of the Confidential Information that Receiving Party is legally required to disclose in the judgment of Receiving Party's counsel. In such event, Receiving Party shall use reasonable efforts to have the Confidential Information so disclosed treated confidentially by the entity to which such disclosure is made.

6. The term of this Agreement shall be one (1) year from the date first written above, provided that the confidentiality and use restrictions of this Agreement shall remain in effect as follows following the expiration or termination of this Agreement: (i) any engineering drawings, designs, specifications, facility maps, and related materials developed by or on behalf of [NYSEG or RG&E] and noted as Confidential Information ("Facility Documentation") until such time as the Facility Documentation, or any portion thereof, becomes a matter of public record other than through breach of this Agreement by the Receiving Party, and (ii) all other Confidential Information for a period of two (2) years.

7. Upon the written request of Furnishing Party, Receiving Party shall, within thirty (30) days thereof, return any originals or original copies of Confidential Information and shall destroy or return to Furnishing Party any copies, extracts, summaries, or other reproductions, in whole or in part, of such Confidential Information in its possession and in the possession of the

Project Personnel to whom it was disclosed by Receiving Party (excluding computer archival and backup tapes or files). Within thirty (30) days after written request of Furnishing Party, an officer of Receiving Party shall certify in writing that all Confidential Information in the possession of Receiving Party and the Project Personnel, including all copies, extracts, summaries, and reproductions thereof (but excluding computer archival and backup tapes or files), in whole or in part, were either returned to Furnishing Party or destroyed by Receiving Party. Notwithstanding the foregoing, if any Confidential Information is incorporated into presentation information provided to the management of the Receiving Party or its affiliates, such presentation material may be retained by the Receiving Party or such affiliates subject to the terms of this Agreement. Notwithstanding the return or destruction of the Confidential Information, the Receiving Party and its Project Personnel will continue to be bound by their obligations of confidentiality and other obligations under this Agreement, subject to the terms of Section 6 hereof.

8. Furnishing Party hereby represents and warrants that it has the right and authority to disclose the Confidential Information to Receiving Party in accordance with the limitations set forth in this Agreement. However, Furnishing Party makes no representation or warranty as to the accuracy or completeness of any Confidential Information provided under this Agreement.

9. Receiving Party agrees that in the event of a breach or anticipated breach of this Agreement by Receiving Party, Furnishing Party's remedy at law will not be adequate and in addition to any other remedies available to it, Furnishing Party shall be entitled to injunctive or similar relief. **Notwithstanding anything else in this Agreement, Receiving Party's liability to Furnishing Party in contract shall be limited to direct damages, but shall exclude any other liability for special, indirect, incidental, punitive, or consequential damages (whether in contract, tort, warranty, strict liability, or otherwise), including, without limitation, lost profits or lost investment opportunity, even if Receiving Party has been advised in advance that such damages could occur.**

10. Disclosure of Confidential Information shall not be deemed to constitute a grant of a right or license to the Confidential Information or to any patents, patent applications, copyrighted material or trademarks of Furnishing Party.

11. Execution of this Agreement shall not obligate either Parties to enter into any further agreements or to proceed with any possible relationship or transaction.

12. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

13. This Agreement may not be assigned by either Party unless prior written consent is obtained from the other Party.

14. Each Party is entitled, at any time, and without notice to the others, to negotiate, disclose, and to otherwise deal in any manner and for any purpose with third parties regarding its own Confidential Information.

15. No failure or delay on the part of either Party hereto in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right.

16. All notices or other communications required to be sent to either Party pursuant to this Agreement shall be in writing and delivered personally, or mailed by certified mail, return receipt requested and postage prepaid, or sent by overnight delivery, or sent by facsimile transmission to such Party at its last known address.

17. In the event that any provision of this Agreement is declared by any court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Agreement, which shall be enforced to the maximum extent permitted by law. The Parties agree to renegotiate in good faith any term held invalid and to be bound by the mutually agreed substitute provision.

18. This Agreement may be executed in counterparts, without the necessity that both Parties execute the same counterpart, each of which shall be deemed an original but which together will constitute one and the same agreement. The exchange of executed copies of this Agreement, including the signature page hereto, by facsimile or electronic mail transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of the original Agreement for all purposes. Signatures of representatives of the Parties transmitted by facsimile or electronic mail transmission shall be deemed to be their original signatures for all purposes.

19. This Agreement does not create or constitute any partnership, joint venture, or agency relationship between the Parties and no Party shall represent that such a relationship exists. Except as required to comply with applicable federal, state, or local law, rule, or regulation, a court or administrative order, or other legal process, or to comply with disclosure requirements under securities laws applicable to the Receiving Party or its affiliated parent, Receiving Party will not hereafter disclose, and will not permit its Project Personnel to disclose, to any person other than those permitted hereunder to have access to Confidential Information, without the prior written consent of Furnishing Party (i) the fact that Confidential Information has been made available to Receiving Party or that Receiving Party has inspected any Confidential Information, (ii) the fact that discussions or negotiations have taken place, are taking place or are proposed to take place concerning a possible transaction relating to the Project(s), or (iii) any of the terms, conditions or other facts with respect to any such possible transaction.

20. This Agreement constitutes the entire Agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior written or oral communications, negotiations, understandings, or agreements with respect to the subject matter

hereof. This Agreement may be amended only by an agreement in writing duly executed by the Parties hereto.

21. Receiving Party and Receiving Party's Project Personnel shall bear all costs of the evaluation of the Confidential Information provided by the Furnishing Party, including the fees and disbursements of counsel and advisors engaged by Receiving Party.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

[NEW YORK STATE ELECTRIC & GAS CORPORATION or ROCHESTER GAS AND ELECTRIC CORPORATION]

By: _____

Title: _____

Date: _____

[PRODUCER]

By: _____

Title: _____

Date: _____