

**KEYSPAN CORPORATION
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
OF THE
BOARD OF DIRECTORS**

CHARTER

Purpose and Authority

The purpose and authority of the Corporate Governance and Nominating Committee (“Committee”) is to:

- Establish qualifications and other criteria for candidates for a position on the Corporation’s Board of Directors;
- Identify individuals qualified to become directors and recommend to the Board candidates for all directorships to be elected at an annual or special meeting (including those existing directors standing for re-election) and those to be elected by the Board between meetings of shareholders;
- Oversee evaluation of the performance of the Board, with the participation of the full Board of Directors;
- Consider and recommend to the Board the composition and size of all committees of the Board of Directors;
- Develop and recommend to the Board the corporate governance principles applicable to the Corporation and recommend, if necessary, any changes to those principles;
- Consider and recommend to the Board, if appropriate, changes to the Corporation’s certificate of incorporation and by-laws;
- Review environmental matters that impact, or may impact, the Corporation and its assets, and monitor the status of the Corporation’s environmental compliance and remediation programs;
- Establish and review the Corporation’s policies with respect to employee matters, including but not limited to:
 - a) Business Ethics,
 - b) Diversity and Equal Employment Opportunity Initiatives, and
 - c) Work Safety Issues
- Review community affairs programs and the activities and efforts of the Corporation to fulfill its role as a responsible corporate citizen.

The Committee is designated by the Board and receives its authority from the Board to which it reports. The Board has vested in the Committee the power and authority to carry out its purposes

and responsibilities as noted in this Charter. The Committee is authorized to select, retain and/or replace, as needed, advisors, consultants and legal counsel to provide independent advice to the Committee. In that connection, in the event the Committee retains any such advisor, consultant, or legal counsel the Committee shall have the sole authority to approve such consultant's fees and other retention terms. The Committee shall also have the sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Corporation, including the sole authority to approve the fees payable to such search firm and any other terms of retention.

Membership

The Committee shall be comprised of three or more members of the Board of Directors. Committee members shall be appointed, continued or replaced at the discretion of the Board of Directors. In the event of the absence of any member or members from a meeting, alternate members may be designated by the Committee Chairman. All members, including alternate members, are at all times required to be determined by the Board to be "independent" directors under the then applicable rules of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002 and the regulations promulgated thereunder.

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Chairman

Unless a Chairman is designated by the full Board of Directors, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

Administrative Procedures

The Committee shall meet at least twice during the year, or as frequently as deemed necessary by the Chairman to fulfill its responsibilities. The attendance of non-members is permitted at the invitation of the Committee Chairman. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities. A quorum shall consist of a majority of the Committee members. The Committee Chairman shall report the Committee's activities and recommendations to the Board.

Board of Director Candidate Criteria and Evaluation

In identifying and/or reviewing the qualifications of candidates for membership on the Board of Directors, the Committee shall take into account all factors it considers appropriate, which may include (a) ensuring that the Board, as a whole, is diverse and consists of individuals with various and relevant career experience, required and demonstrated technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a "financial expert," as that term is defined by the rules of the New York Stock Exchange and/or the Securities and Exchange Commission), local community relationships and (b) required individual qualifications, including personal and professional ethics, integrity and values, strength of character, practical wisdom, mature judgment, familiarity with the Corporation's business and industry,

independence of thought and an ability to work collegially. The Committee also may consider the extent to which the candidate would fill a present need on the Board.

The Committee is authorized to conduct all necessary and appropriate inquiries into the backgrounds and qualifications of potential candidates and to consider issues of independence and possible conflicts of interest of current and prospective members of the Board and executive officers, and whether a candidate represents special interests in a manner that would impair his or her ability to effectively represent the interests of all shareholders.

The Committee is authorized to review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board, retirement provisions and/or term or age limits, all in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds to further the interests of the Corporation and its shareholders.

Annual Evaluations

The Committee shall annually oversee evaluation of the performance of the Board, with the participation of the full Board of Directors.

The Committee shall also perform an annual review and evaluation of the performance of the Committee. In addition, the Committee shall perform an annual review and assessment of this Charter.

This Charter was reviewed by the Corporate Governance and Nominating Committee on January 13, 2005 and recommended to and approved by the Board of Directors on January 26, 2005.