

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JULY 16, 2012

LEAF: 291
REVISION: 3
SUPERSEDING REVISION: 2

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

7. TERMINATION

Except as otherwise expressly provided in this Section, the Customer may terminate this Agreement at any time by providing the Company with thirty (30) days written notice.

Customer agrees that in the event it fails to make payment for electric service when due, and thereafter fails to make payment by the due date specified in a written notice of arrears issued by Company, which due date shall be at least ten (10) days after the date of the written notice, Company has the right, at its sole option, upon written notice to Customer:

To terminate this Agreement effective retroactive to the first date of the Billing Period covered by the unpaid Company invoice. Upon Company's termination of this Agreement, Customer shall pay for electric service at the applicable Parent Service Classification rates, as of the effective retroactive date of termination;

OR

To suspend the pricing provisions of this Agreement, effective retroactive to the first date of the Billing Period covered by the unpaid Company invoice, until the Customer's account is made current. Upon Company's suspension of the pricing provisions of this Agreement, Customer shall continue to receive and accept electric service in accordance with this Section 7, but shall pay for electric service at the applicable Parent Service Classification rates and not at the rates specified in Attachment A to this Agreement, as of the effective retroactive date of suspension. Once the Customer's account is made current, the pricing provisions of this Agreement will again be made applicable to the Customer's purchase of electric service, as of the first date of the Billing Period in which the Customer's account is made current. During the period of Company's suspension of the pricing provisions of this Agreement, Customer shall not have the right to terminate this Agreement, notwithstanding any other provisions to the contrary set forth in this Agreement.

Notwithstanding the foregoing, where the Customer's failure to pay all or part of its bill for electric service relates to the electric service rendered, Company shall not have the right to terminate this Agreement, or to suspend the pricing provisions of this Agreement, so long as Customer (1) pays any undisputed portion of the bill when due and in no event later than the late charge date indicated on the bill; (2) advises Company in writing, on or before the late charge date specified on the bill, of the specific grounds for withholding payment; and (3) places in escrow the disputed portion of the bill on or before the late charge date specified on the bill. If (1), (2) and (3) are not accomplished by the late charge date specified on the bill, Company has the right, at its sole option, either to terminate this Agreement, or to suspend the pricing and provisions of this Agreement, as provided above. If (1), (2) and (3) are accomplished on or before the late charge date specified on the bill, and the disputed portion of the bill is thereafter determined by Company to have been owed to Company, the escrowed sums shall be immediately released to Company and Customer shall promptly pay Company any late payment charges thereon. In the event the escrowed sums are not immediately released to Company, or in the event Customer fails to pay any late payment charges when due, Company has the right, at its sole option, to the extent allowed by law, to terminate this Agreement or suspend the pricing provisions of this Agreement, as provided above.

Issued by Kenneth D. Daly, President, Syracuse, NY