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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 11/25/98 SUPERSEDING REVISION: 0
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Effective date postponed to 03/25/99. See Supplement No. 12
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GENERAL INFORMATION

15. BILLING AND COLLECTIONS: (continued)

15.7.5 Unmetered Service Bills (continued)

15.7.5.2 The per day or other basis used for calculating the amount of service bill.

15.7.6 Budget Bills

15.7.6.1 Customers who currently receive firm sales or transportation service and are in good standing, have the option with the consent of the Company of paying for service under the Company's Monthly Budget Payment Plan. The plan covers up to twelve months billing and can be started with the next billing for the batch in which the meter(s) is read. The initial budget amount is based on the preceding year's charges divided by twelve.

15.7.6.2 Non-Residential Customer Eligibility - The Company is required to offer a budget payment plan to all non-residential customers except:

- a. Customers who have less than 12 months of billing history at the premises;
- b. Seasonal, short-term or temporary customers;
- c. Customers who have arrears;
- d. Interruptible, temperature-controlled, dual-fuel customers;
- e. Customers who, for any reason, ceased being billed on a previous budget plan before the end of the plan year in the past 24 months; or
- f. Customers whose pattern of consumption is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty.

15.7.6.3 Company Procedure - The Company has established a written procedure and billing system to implement these rules, which procedure:

- a. Sets forth the method for establishing an eligible customer's monthly budget payment amount which is based on the sum of historic annual charges plus the customer's deferred balance divided by twelve (12).

Issued By: Albert J. Budney, Jr., President, Syracuse, New York