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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION:

STAMPS:

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Residential Deferred Payment Agreement (continued)

WHAT HAPPENS IF YOU DO NOT MAKE THE PAYMENTS

IF YOU DO NOT MAKE ANY PAYMENT REQUIRED BY THE TERMS OF THE AGREEMENT, WE MAY INSIST UPON FULL PAYMENT OF ALL MONIES OWED TO US AND TAKE STEPS TO SHUT-OFF SERVICE, UNLESS, THE REASON FOR NOT MAKING PAYMENT IS THAT YOUR FINANCIAL CIRCUMSTANCES (INCOME AND EXPENSES) HAVE CHANGED SIGNIFICANTLY DUE TO THE CONDITIONS YOU COULD NOT CONTROL.

WE WILL GIVE YOU A NEW AGREEMENT IF YOU TELL US EXACTLY WHAT HAS TAKEN PLACE AND CAN SHOW THAT THE REASONS FOR NOT MAKING PAYMENT WERE TRULY DUE TO CONDITIONS BEYOND YOUR CONTROL.

ASSISTANCE

IF YOU WISH TO SPEAK WITH A NIAGARA MOHAWK REPRESENTATIVE, PLEASE CALL US AT THE TELEPHONE NUMBER SHOWN ON THE OTHER SIDE OF THIS AGREEMENT. IF FURTHER HELP IS NEEDED, YOU MAY CALL THE NEW YORK STATE PUBLIC SERVICE COMMISSION AT 1-800-342-3377, 8:30 A.M. TO 4:30 P.M., MONDAY THROUGH FRIDAY.

BUDGET BILLING OPTION

IF YOU ARE NOT ALREADY ENROLLED IN OUR BUDGET BILLING (HELP PLAN), AND WISH TO ENROLL, PLACE A CHECK MARK IN THE BOX BELOW AND WE WILL START YOU ON THE PLAN. THE BUDGET BILLING PLAN ALLOWS YOU TO PAY THE TOTAL AMOUNT OF YOUR ANNUAL SERVICE CHARGES IN TWELVE (12) NEARLY EQUAL MONTHLY PAYMENTS. THIS PLAN PERTAINS ONLY TO NEW BILLS YOU WILL BE RECEIVING AND DOES NOT CHANGE THE SPECIFIC TERMS OF THE PAYMENT AGREEMENT.

-- YES. I WOULD LIKE TO BE PUT ON THE BUDGET BILLING PLAN.

ACCEPTANCE OF AGREEMENT

COMPANY ACCEPTANCE: BY THIS STATEMENT, NIAGARA MOHAWK VERIFIES THAT SPECIFIC TERMS OFFERED ON

THIS DOCUMENT ARE AN ACCEPTABLE AGREEMENT FOR PAYMENT OF MONIES OWING.

CUSTOMER ACCEPTANCE: TO INDICATE ACCEPTANCE; SIGN, DATE AND PRINT NAME.

I HAVE READ, UNDERSTAND AND ACCEPT THE TERMS OF THIS AGREEMENT.

 SIGNATURE:
 DATE: __/__/__

PRINT NAME:

BY SIGNING AND RETURNING ONE COPY, YOU WILL BE AGREEING TO MAKE PAYMENTS ACCORDING TO THE TERMS OF THIS AGREEMENT, IN RETURN, NIAGARA MOHAWK WILL AGREE NOT TO SHUT-OFF YOUR SERVICE FOR NON-PAYMENT, FOR AS LONG AS YOU CONTINUE TO HONOR THE TERMS OF THE AGREEMENT.

IF YOU DO NOT SIGN AND RETURN THE AGREEMENT (OR CONTACT US TO DISCUSS ALTERNATIVE TERMS) AND A FINAL TERMINATION NOTICE IS IN EFFECT, WE WILL TAKE NECESSARY STEPS TO TERMINATE YOUR SERVICE.

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