M.   Deferred Payment Agreement - Residential: (Cont'd.)

          unable to agree upon specific terms, the Company will offer an
          agreement with the following terms:

          (a)   A downpayment up to 15 percent of the amount covered by the
                 payment agreement or the cost of one-half of one month's
                 average use, whichever is greater, or if the amount covered
                 by the agreement is less than one-half of one month's
                 average usage, 50 percent of such amount; and

          (b)   monthly installments up to the cost of one-half of one
                 month's average use or one-tenth of the balance, whichever
                 is greater

     5.   Effective Date of the Agreement:

          The copy of the written agreement must be signed by the customer
          and returned to the Company in order to be valid and enforceable.
          In the case of customers who are subject to final notice of
          termination, the signed agreement must be returned to the Company
          by the day before the earliest day on which termination may occur
          in order to avoid termination. If the agreement is not signed
          and returned as required, the Company will terminate service.

     6.   Renegotiating Agreements:

          If a customer or applicant demonstrates that his or her financial
          circumstances have changed significantly because of circumstances
          beyond his or her control, the Company will amend the terms of
          the agreement to reflect such changes.

     7.   Broken Agreements:

          If a customer fails to make timely payment of installments in
          accordance with a payment agreement, the Company will send a
          reminder notice before sending a final notice of termination. If
          a customer fails to pay an installment by the 20th day after
          payment was due and has not negotiated a new agreement, the
          Company will demand full payment and send a final notice of
          termination in accordance with 16 NYCRR 11.4 and 11.10 and Rule
          J. of this tariff.

N.   Discontinuance of Service - Non-residential:

     1.   Termination of Service:

          (a)   Conditions for termination:

Issued by Michael German, President and C.E.O., Corning, N.Y. 14830