

This Online Bill Presentment and Payment Program Agreement ("Agreement") is by and between New York State Electric and Gas Corporation, its successors and assigns ("NYSEG"), and each customer of NYSEG ("Customer") electing to use the Online Bill Presentment and Payment Program (the "Service"). This Agreement governs Customer's use of the Service.

I. GENERAL

- A. The Service consists of (i) the Online Electronic Billing Service, which provides monthly bills in electronic form rather than paper, and (ii) the Electronic Bill Payment Service, which permits Customer to pay amounts due to NYSEG, either online through the use of a computer or by telephone.
- B. By enrolling in the Service online or by telephone, and by using the Service, Customer agrees to the terms and conditions of this Agreement.
- C. Customer's use of the Service is also governed by NYSEG's PSC Tariff No. 119 found on NYSEG's Web site. Other than the method of payment set forth in the Tariffs, the Tariffs remain in full force and effect and do not change because of Customer's election to use the Service. Customer should review the Tariff for any applicable fees (including Late Payment Charges).

II. DEFINITIONS

The following terms shall have the following meanings as used in this Agreement:

- A. "Business Day" means Monday through Friday, excluding Federal Reserve holidays and NYSEG holidays.
- B. "Cutoff Time" means 2:00 p.m. Eastern Time on any Business Day.
- C. "Due Date" means the date payment is due at NYSEG in order to avoid a Late Payment Charge. This date is shown on Customer's NYSEG bill.
- D. "Late Payment Charge" or "LPC" means a late charge that is applied each day to unpaid balances.
- E. "Non-Sufficient Funds Charge" or "NSF" means a fee applied to Customer's NYSEG account for any Returned Payments.
- F. "Payment Account" means Customer's checking or savings account from which bill payments will be made.
- G. "Payment Amount" means the authorized dollar amount selected by Customer to be paid from the Payment Account.
- H. "Payment Instruction" means the payment information provided by Customer to the Service for a series of recurring payments to be made to NYSEG from the Payment Account.
- I. "Returned Payment" means a payment that cannot be processed for any reason or that is not approved by Customer's financial institution.
- J. "Scheduled Payment Date" means the Business Day of Customer's choice upon which Payment Instructions will be submitted for debit against the Payment Account. A Scheduled Payment Date that falls on a non-Business Day will be processed the next Business Day.
- K. "Service Provider" means any third party providing the Service on behalf of NYSEG.

III. ONLINE ELECTRONIC BILLING SERVICE

- A. To use the Online Electronic Billing Service, Customer will need the following:
 - 1. A computer with Internet access and a valid e-mail account;
 - 2. Customer's NYSEG Login ID and password
- B. Upon an election by Customer to use the Online Electronic Billing Service, Customer authorizes NYSEG to provide an electronic version of Customer's monthly bill. NYSEG will send notice of the availability of the bill to the e-mail address provided by Customer, and Customer will be able to access the bill on NYSEG's Web site. Customer will no longer receive a paper billing statement from NYSEG, unless the Online Electronic Billing Service is terminated by NYSEG or Customer.
- C. Customer agrees to regularly review Customer's NYSEG account bills, whether or not Customer has received e-mail notification of Customer's bill availability.
- D. Customer agrees to maintain a valid e-mail account and to notify NYSEG of any changes in such account. NYSEG will send notification of Customer's bill availability to the e-mail address shown in NYSEG's records. The accuracy of that e-mail address is entirely Customer's responsibility and in particular, but without limitation, should that e-mail account ever become invalid or should Customer wish notification of bill availability to be sent to a different e-mail account, it shall be Customer's responsibility to notify NYSEG of such change. Customer shall remain fully liable for any bills of which notification has been sent to Customer's previous e-mail address.

IV. ELECTRONIC BILL PAYMENT SERVICE

- A. By providing NYSEG with Payment Instructions, either online or by telephone, Customer authorizes NYSEG (or NYSEG's Service Provider) to debit Customer's Payment Account for the Payment Amount. All payments are processed in accordance with standard banking procedures. The following business rules apply to all payments made through the Service:
 - 1. Payment Instructions received prior to the Cutoff Time on the Scheduled Payment Date will be processed during the evening of the Scheduled Payment Date. Payment Instructions received after the Cutoff Time on a Scheduled Payment Date will be processed the next Business Day.
 - 2. While it is anticipated that payment processing will be completed and payments will be debited from the Payment Account and posted to Customer's NYSEG account within one (1) Business Day following the Scheduled Payment Date, it is understood that delays in debits to the Payment Account and/or posting of payments to Customer's NYSEG account may occur, due to circumstances beyond the control of NYSEG (or NYSEG's Service Provider).

IV. ELECTRONIC BILL PAYMENT SERVICE ... continued

3. In the event that Customer chooses a Scheduled Payment Date less than four (4) Business Days before the Due Date, Customer bears the risk of incurring and the responsibility for paying any and all Late Payment Charges.
 4. If NYSEG is unable to process Payment Instructions for any reason associated with the Payment Account (for example, there are not sufficient funds in the Payment Account to cover the transaction), Customer will receive a return notice from NYSEG. In such cases, Customer agrees that:
 - (a) Customer will reimburse NYSEG immediately upon demand the transaction amount that has been returned to NYSEG;
 - (b) Customer shall be liable for Late Payment Charges, NSF Charges, or any other applicable charges.
 - (c) NYSEG is authorized to report the facts concerning the return to a consumer reporting agency.
- B. Customer may cancel or edit any Payment Instructions up to the Cutoff Time on the Scheduled Payment Date, by following the directions within the online application. To correct errors discovered after the Cutoff Time on the Scheduled Payment Date, see the "Errors and Questions" section of this Agreement. There is no charge for canceling or editing a scheduled payment.
- C. NYSEG will use its commercially reasonable efforts to ensure all payments are processed properly. However, NYSEG shall incur no liability if payments cannot be initiated through the Service because of the existence of any one or more of the following circumstances:
1. If the Payment Account does not contain sufficient funds to complete the transaction, or the transaction would exceed the credit limit of the Payment Account;
 2. The Service is not functioning properly and Customer knows or has been advised about the malfunction before Customer executes the transaction;
 3. The Payment Instructions did not provide correct NYSEG account information or Payment Account information to process the payment; or
 4. Circumstances beyond the control of NYSEG (or the Service Provider), such as, but not limited to, fire, flood, or Interference from an outside force, prevent the proper execution of the transaction and NYSEG (and the Service Provider) have taken reasonable precautions to avoid those circumstances.
- D. NYSEG agrees to make reasonable efforts to ensure full performance of the Service. NYSEG will be responsible for acting only on those Payment Instructions which are actually received and cannot assume responsibility for malfunctions in communications facilities not under our control that may affect the accuracy or timeliness of messages Customer sends. NYSEG is not responsible for any errors or failures caused by any malfunction of Customer's computer, and NYSEG is not responsible for any computer virus or related problems that may be associated with the use of the Service. NYSEG is not responsible for any losses or delays in transmission of Payment Instructions arising out of the use of any Internet Service Provider providing connection to the internet or caused by any browser software. NYSEG's sole obligation in the event the Service fails to perform is to reprocess any Payment Instructions received by NYSEG that NYSEG failed to process correctly.
- E. IN NO EVENT SHALL NYSEG (OR THE SERVICE PROVIDER) BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF USE OF THE SERVICE. In states which do not allow the exclusion or limitation of liability for indirect, special, incidental or consequential damages with respect to consumer services, NYSEG's liability is limited to the maximum extent permitted by applicable law.
- F. THE SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OTHER THAN THOSE WARRANTIES WHICH ARE IMPLIED BY LAW AND INCAPABLE OF EXCLUSION, RESTRICTION OR MODIFICATION.

V. E-MAIL ADDRESS; PASSWORD AND SECURITY

- A. Customer agrees that NYSEG may send notices and other communications, including password confirmations, to the e-mail address shown in NYSEG's records. Customer agrees that NYSEG will not be responsible or liable in any manner if any information or correspondence informing Customer of its password is intercepted by an unauthorized person.
- B. Customer agrees to protect security information associated with the Service (including login and password), and agrees not to give or make available the login, password or other means to access the Service to any unauthorized individuals. Customer is responsible for all Payment Instructions authorized using the Service. If Customer permits other persons to use the Service, Customer is responsible for any transactions they authorize.
- C. If Customer believes that the login, password or other means to access the Service have been lost or stolen or that someone may attempt to use the Service without Customer's consent or have transferred money without Customer's permission, Customer must notify NYSEG at once by calling **1.800.572.1111** Monday through Friday, 7 a.m. to 7 p.m., excluding holidays.
- D. Customer acknowledges and agrees that NYSEG has instituted commercially reasonable security procedures for electronic payment pursuant to this Agreement. Customer agrees to be bound by any instructions implemented by NYSEG in compliance with such security procedures.

VI. ERRORS AND QUESTIONS

In case of errors or questions, contact NYSEG in the following manner:

1. E-mail

E-mail your comments or questions by using our secure form (visit nyseg.com, click on "Contact Us" then on "Write to NYSEG"). We will respond to requests within one to two business days. (Monday through Friday, 7 a.m. to 7 p.m., excluding holidays.) **Do not send electronic messages if you have a natural gas emergency or smell a gas odor; call us directly at 1.800.572.1121. To report a life-threatening electricity emergency, call us at 1.800.572.1131.**

Please note: If you use a spam blocker, please add custserv@nyseg.com to your acceptable list of e-mail addresses so we may contact you regarding your request.

2. Phone Number (Monday through Friday, 7 a.m. to 7 p.m., excluding holidays)

1.800.572.1111

3. Mailing Address

Customer Service

P.O. Box 5240

Binghamton, NY 13902-5240

VII. ALTERATIONS AND AMENDMENTS

NYSEG reserves the right to alter and/or amend this Agreement, applicable fees and service charges at any time. In such event, NYSEG shall post notice of changes via NYSEG's Web site. Any use of the Service after NYSEG posts a notice of change will constitute Customer's agreement to such change(s).

VIII. TERMINATION

- A. In the event Customer wishes to discontinue the Service, Customer may do so by de-enrolling through the online application, or by contacting NYSEG as provided in Section VI, above. All such notices of termination must be supplied ten (10) days prior to the actual termination date.
- B. NYSEG (or the Service Provider) may terminate service at any time and/or revoke Customer's right to use the Service upon prior notice to Customer. NYSEG reserves the right to terminate Customer's use of the Service if three (3) Non Sufficient Funds transactions are processed in any twelve (12) month period.
- C. Termination shall not affect Customer's liability or obligations under this Agreement.

IX. INFORMATION AUTHORIZATION

Customer's enrollment in the Service may not be fulfilled if NYSEG cannot verify Customer's identity or other necessary information. Customer agrees that NYSEG reserves the right to obtain financial information regarding Customer's Payment Account from a financial institution to resolve payment-posting problems.

X. DISPUTES

In the event of a dispute regarding the Service, Customer and NYSEG agree to resolve the dispute by jointly looking to this Agreement. Customer agrees that this Agreement is the complete and exclusive statement of the agreement between Customer and NYSEG which supersedes any proposal or prior agreement, oral or written, and any other communications between Customer and NYSEG relating to the subject matter of this Agreement. If there is a conflict between what an employee of the Service Provider or NYSEG's Customer Relations Department says and the terms of this Agreement, the terms of this Agreement will prevail.

XI. GOVERNING LAW

- A. This Agreement shall be governed by and construed and enforced in accordance with New York law.
- B. In addition to the terms and conditions of this Agreement, Customer agrees to be bound by and will comply with the requirements of the applicable Account Disclosure Statement, the NYSEG Tariffs, the rules and regulations of any funds transfer system to which NYSEG uses such as the National Automated Clearing House Association (NACHA), and applicable state and federal laws and regulations.

PLEASE RETAIN THIS DOCUMENT FOR SAFEKEEPING AND REFERENCE AT ANY TIME DURING USAGE OF THE SERVICE.

CUSTOMER HAS READ AND UNDERSTANDS THE FOREGOING AGREEMENT AND AGREES TO BE BOUND BY ALL OF ITS TERMS, AND ANY FUTURE AMENDMENTS WHICH MAY BE MADE TO THIS AGREEMENT FROM TIME TO TIME.