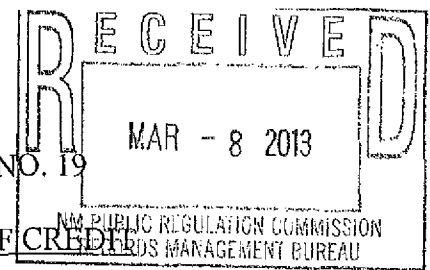


SIERRA ELECTRIC COOPERATIVE, INC.
FIRST REVISED RULE NO. 19
CANCELING ORIGINAL RULES AND REGULATIONS NO. 19

NON-RESIDENTIAL DEPOSITS AND ESTABLISHMENT OF CREDIT



X – NUMEROUS CHANGES

Page 1 of 2

1. Applicability – To secure payment for electric service to a non-residential customer, a deposit or other guarantee of payment as a condition of new or continued service in accordance with this rule.

2. When Required - The cooperative may not require a security deposit or other guarantee of payment as a condition of new or continued service to a customer, except in the case of service:

- 2.1 to a customer who has not previously had cooperative service with this cooperative and who has not established an acceptable credit rating;
- 2.2 to a customer who has on three or more occasions, within a 12-month period, received a final notice.
- 2.3 as a condition for reconnection of service following discontinuance of service by the cooperative; and
- 2.4 to a customer who, in an unauthorized manner, has interfered with or diverted the service of the cooperative situated on or about or delivered to the customer's premises.

3. Acceptable Credit Ratings and Alternatives - In determining whether a customer that has not previously had utility service has an acceptable credit rating, the cooperative shall consider the following :

- 3.1 documentation that the customer has an adequate credit reference from a utility where the customer has prior utility service;
- 3.2 documentation obtained by the cooperative from a commercial credit source;
or
- 3.3 any other reasonable documentation.

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MAR 25 2013

REPLACED BY NMPRC

Advice Notice No. 61

Jimmy W. Capps, Jr.
General Manager

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Page 2 of 2

In determining whether and in what amount a deposit or guarantee may be required of a customer, special consideration to a prospective or existing customer in determining if payment by an installment agreement is appropriate.

4. Amounts - A deposit for the customer shall not exceed an amount equivalent to one sixth (1/6th) of that non-residential customer's estimated annual billings.

5. Interest - Deposits shall accrue simple interest annually at a rate not less than the rate required by law for the time the deposit is held by the cooperative. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date the refund is sent to the non-residential customer's last known address.

6. Receipts - Receipts shall be given for deposit and shall provide the following:

6.1 name of customer

6.2 date of payment

6.3 amount of payment

6.4 statement of the terms and conditions governing the payment, retention, interest and return of deposits.

7. Refund - Any non-residential customer that has not received a final notice for the twelve-month period from the date of deposit or guarantee shall promptly receive credit or refund in the amount of the deposit together with accrued interest due or shall be permitted to terminate any guarantee.

8. Unclaimed Deposit – Unclaimed deposits shall be handled as provided by law.

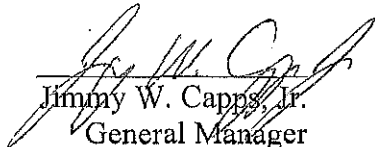
9. Additional Deposit – When service has been discontinued for any reason, a new or additional deposit may be required in accordance with this rule.

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