

SIERRA ELECTRIC COOPERATIVE, INC.  
FIRST REVISED NO. 20  
CANCELING ORIGINAL RULE NO. 20

SETTLEMENT AGREEMENTS



X – NUMEROUS CHANGES

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1. Settlement Agreements to be in writing

- 1.1 When the Cooperative and a residential customer settle a dispute, the Cooperative and the customer may enter into a settlement agreement to pay the amount of the bill. If applicable, any excess amount paid previously by the residential customer shall promptly be credited to the residential customer's account, and if the amount is in excess of twenty-five dollars (\$25) and if so requested by the residential customer, the excess amount shall promptly be refunded.
- 1.2 If the terms of a settlement agreement extends beyond forty-five (45) days, it shall be considered an installment agreement and shall be subject to the requirements of 17.5.410.40 NMAC.
- 1.3 If a residential customer fails to comply with the settlement agreement, the Cooperative shall notify the residential customer at least seven (7) days before discontinuing service that service will be disconnected.
- 1.4 A settlement agreement to pay an outstanding past due balance does not relieve the residential customer of the obligation to pay future bills on a current basis.

2. Installment Agreement

- 2.1 The Cooperative shall attempt to arrange an installment agreement for the payment of past due charges when a residential customer who has not been chronically delinquent indicates an inability to pay the charges. Service will not be disconnected if, on or before the specific date for discontinuance, the residential customer enters into an installment agreement with the Cooperative. The Cooperative may also maintain a list of organizations in the area that may provide assistance to residential customers in paying the

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REPLACED BY NMPRC  
BY Rule no. 17.1.210

Advice Notice No. 58

Jimmy W. Capps, Jr.  
General Manager

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utility bills and shall notify the residential customers that applications forms for LIHEAP are available upon request and at the Cooperative office. The Cooperative is encouraged to refer low-income assistance inquiries to the administering authority consistent with subsection A of 17.410.41 NMAC.

2.2 The Cooperative is not required to enter into an installment agreement with a chronically delinquent residential customer. However, if a chronically delinquent residential customer can demonstrate to the Cooperative that the residential customer does not have inadequate financial resources to pay the outstanding bill without participation in an installment agreement because the residential customer meets the qualifications of LIHEAP, or is subject to other special circumstances, the Cooperative shall give special consideration to such a residential customer in determining whether to offer an installment agreement. The Cooperative shall accept documentation from the administering authority that such residential customer meets the qualifications of LIHEAP.

2.3 Every installment agreement shall provide that service will not be discontinued if the residential customer pays a reasonable portion of the outstanding bill when the terms of the installment agreement are reached and if the residential customer agrees to pay the remaining outstanding balance in reasonable installments until the bill is paid. For purposes of determining reasonableness, the parties shall weigh:

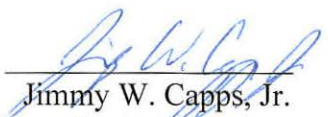
- a) the size of the outstanding balance;
- b) the residential customer's ability to pay;
- c) the residential customer's payment history;
- d) the time that the balance has been outstanding;
- e) the reasons why the balance has been outstanding; and
- f) a six month installment agreement for residential customers with significant arrearages; and

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g) any other relevant factors relating to the residential customer's service.

2.4 An installment agreement to pay an outstanding past due balance on a bill does not relieve a residential customer from the obligation to pay future bills on a current basis.

2.5 If the residential customer has entered into an installment agreement, the residential customer shall receive a statement of:

- a) the actual service charges incurred for the current billing period;
- b) the amount of the installment payment due, and
- c) the total amount due (sum of (a) and (b)).

2.5 A residential customer may offer the Cooperative a proposed installment agreement or a proposed change in the terms of an existing installment agreement. If the Cooperative and the residential customer do not reach an agreement, the Cooperative may refuse the offer orally and shall note in that residential customer's records the reason for the refusal and what special consideration was given for the residential customers who meet the qualifications of LIHEAP. Upon final refusal, the Cooperative shall provide oral notice of the right of the residential customer to appeal the refusal to the Commission.

3. Failure to Comply with Installment Agreement - If a residential customer fails to comply with an installment agreement, the Cooperative may discontinue service after notifying the residential customer by personal delivery of written notice, by first class mail or electronic mail, if the residential customer has elected to receive electronic billing, that the residential customer is in default of the installment agreement.

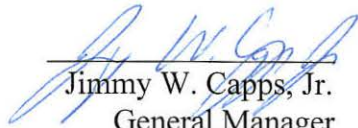
3.1 The notice shall be written in simple language in English and Spanish and shall state:

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a) the nature of the default;  
b) the specific date service shall be stopped; and  
c) the following statements: "If you have difficulty paying this bill, and feel you may qualify for assistance in paying your utility bill from the Low Income Home Energy Assistance Program (LIHEAP) or another assistance program in your community, contact the Community Assistance Section of the Human Services Department at 1-800-283-4465, the tribal or pueblo entity that administers a tribes or pueblo entity that administers a tribe's or pueblo's LIHEAP or contact the customer service representative at the Cooperative. Application forms for the Low Income Home Energy Assistance Program (LIHEAP) are available at the billing offices of the Cooperative, at the Human Services Department, and at the tribal or pueblo entity that administers a tribe's or pueblo's LIHEAP. Application forms should be returned to the Human Services Department or the tribe or pueblo entity that administer's tribe's or pueblo's LIHEAP. The Human Services Department and the tribal or pueblo entity, and not this Cooperative determine your eligibility to receive assistance."

- 3.2 The notice shall also state that unless a payment that brings the installment agreement current is made within seven (7) days from the date of notice the utility will discontinue service on or after the specific date identified in the notice; provided, however, that during the period from November 15 to March 15, the provisions of 17.5.410.30 NMAC shall apply.
- 3.3 The Cooperative shall provide a procedure for reviewing residential customer allegations that a proposed installment agreement is unreasonable, that the Cooperative charge is not due and owing, or that the residential customer has not violated an existing installment agreement. Such procedure shall provide due notice to residential customers, shall not be conducted by the credit

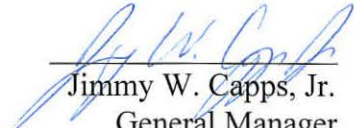
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department of the Cooperative, and shall authorize the reviewing employee to order appropriate corrective action. The Cooperative will not discontinue service until review is completed.

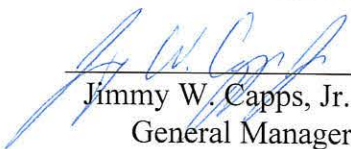
- 3.4 Nothing in 17.5.410.40 through 17.5.410.41 NMAC shall preclude the Cooperative and a residential customer from renegotiating the terms of an installment agreement.

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