

NOV 15 2018

SIERRA ELECTRIC COOPERATIVE, INC.  
THIRD REVISED RULE NO. 7  
CANCELLING SECOND REVISED RULE NO. 7

NM PUBLIC REGULATION COMM  
RECORDS MANAGEMENT BUREAU

DEPOSITS AND ESTABLISHMENT OF CREDIT

(X- Numerous Changes)

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1. Applicability - Deposits or other guarantee of payment as a condition of new or continued service to a customer shall be required and accounted for 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, who has not previously had utility service with the cooperative, has an acceptable credit rating, the cooperative shall consider the following:

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

In addition, in determining whether a residential customer, who has not previously had utility service with the cooperative, has an acceptable credit rating, the cooperative shall consider the following:

Advice Notice No. 67



Denise K. Barrera  
General Manager

**EFFECTIVE**

DEC 15 2018

REPLACED BY NMPRC  
BY Rule 210

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3.4 that the residential customer owns or is purchasing the residence served;

3.5 that the residential customer has an adequate income.

Special consideration will be given to a customer, where an acceptable credit rating cannot be established, in determining whether and in what amount a deposit will be charged or if payment by an installment agreement for the deposit is appropriate. Special consideration will be given in the event a residential customer has demonstrated that there is a lack of financial resources to pay the deposit, and the residential customer meets the qualifications of LIHEAP, or is subject to other special circumstances. If a prospective residential customer cannot establish an acceptable credit rating, but previously received service under the name of a spouse, prior service to that spouse may be considered in determining whether and in what amount a security deposit will be charged.

4. Amounts - A deposit shall not exceed an amount equivalent to one sixth (1/6th) of that customer's estimated annual billings; the deposit criteria is based upon the most recent available prior 12-month corresponding period at the same service location, or, if there is not a comparable period of service at the same service location, the deposit shall be based upon consumption of similar units in the same area.

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 customer's last known address.

6. Receipts and Records - Receipts shall be given for deposit at the time of tender or with the first bill 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.

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Records shall be kept to show the name and address of each depositor, the amount and the date of the deposit, and each transaction concerning the deposit. A record of each unclaimed deposit shall be maintained for at least three years during which time the utility shall mail a check or a letter to the customer at his last known address in an effort to return the deposit. Unclaimed deposits together with accrued interest shall be credited to the appropriate account and shall be handled as required by the uniform disposition of unclaimed property act of the State of New Mexico.

7. Refunds - Residential customers who have not been chronically delinquent for the twelve-month period from the date of deposit or guarantee shall promptly receive a credit or refund in the amount of the deposit together with accrued interest due or shall be permitted to terminate any guarantee. Non-residential customers who have not received a final notice for the 12-month period from the date of deposit or guarantee shall promptly receive a credit or refund in the amount of the deposit together with accrued interest due or shall be permitted to terminate any guarantee. If the amount of the deposit exceeds the amount of the current bill, the customer may request a refund in the amount of the excess if such excess exceeds twenty-five dollars (\$25). If the customer fails to qualify for a refund of the deposit on the first anniversary date of the deposit, that account shall be reviewed at least annually, and the amount of the deposit shall be credited if the residential customer has not been chronically delinquent during the preceding twelve (12) months or the non-residential customer has not received a final notice during the preceding twelve (12) months. A residential customer may request a refund at any time after twelve (12) months payment history, which refund shall promptly be paid if the residential customer has not been chronically delinquent during the prior twelve-month (12) period, or the cooperative may pay such refund in the absence of a request within a reasonable period of time. A non-residential customer may request a refund at any time after twelve (12) months payment history, which refund shall promptly be paid if the non-residential customer has not received a final notice during the prior 12-month period, or the cooperative may pay such refund in the absence of a request within a reasonable period of time.

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DEC 15 2010

REPLACED BY NMPRC  
BY Rule 210

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Denise K. Barrera  
General Manager