

**NEW MEXICO WATER SERVICE COMPANY
INDIAN HILLS WATER SYSTEMS
ORIGINAL RULE NO. 6
CANCELING IHWW RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT**

NEW MEXICO
PUBLIC REGULATION
COMMISSION
FILED

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2015 MAY 1 PM 1 32

- A. Residential Security Deposits or Guarantees. A utility 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 (1) to a customer who has not previously had utility service and who has not established an acceptable credit rating, (2) to a chronically delinquent customer of that utility, (3) as a condition for reconnection of service following discontinuance of service by the utility, and (4) to a customer who, in an unauthorized manner has interfered with or diverted the service of the utility situated on or about or delivering to the customer's premises.
- B. Methods to Establish Acceptable Credit Rating for Residential Customers.
- a. A customer or guarantor may establish an acceptable credit rating in any reasonable manner, such as the following:
 - i. Owns or is purchasing a home;
 - ii. Is and has been regularly employed on a full-time basis for at least one year;
 - iii. Has an adequate regular source of income; and
 - iv. Can provide adequate credit references from a commercial credit source or from a utility where the customer or applicant had utility service.
 - b. If a customer or prospective customer cannot establish an acceptable credit rating but can demonstrate to the utility that the customer does not have adequate financial resources to pay the security deposit because the customer has a low income and is elderly, disabled or subject to other special considerations, the utility shall give special consideration to such a customer in determining whether and in what amount a security deposit will be charged.
 - c. If a prospective customer cannot establish an acceptable credit rating but previously received utility service under the name of a spouse, the utility may consider prior utility to that spouse in determining whether and in what amount a security deposit will be charged.

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APR 24 2015

REPLACED BY NMPRC

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Cynthia Apodaca, Controller

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C. Refund of Deposits, Termination of Guarantees for Residential Customers.

- a. Any customer who has not been chronically delinquent for the twelve (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 ten dollars (\$10). 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 on each next succeeding anniversary date of the deposit and the amount of the deposit shall be credited if the customer has not been chronically delinquent during the preceding twelve (12) months. A customer may request a refund at any time after twelve (12) months, which refund shall be promptly paid if the customer has not been chronically delinquent during the prior twelve-month period, or a utility may pay such a refund in the absence of a request within a reasonable period of time.
- b. Unclaimed deposits shall be handled as provided by law.

D. Security Deposits or Guarantees for Non-Residential Customers. If a utility requires a deposit of Non-residential customers it shall have on file with the Commission an approved rule setting forth the terms and conditions under which that deposit will be collected and refunded.

E. Amounts of and Accounting for Security Deposits. Any deposit policy shall be as set forth in the utility's tariff on file with the Commission, pursuant to NMPRC Rule 210, but shall conform to the following:

- a. A deposit for a customer shall not exceed an amount equivalent to one-sixth (1/6) of that customer's estimated annual billings or not more than one and one-half (1½) times that customer's estimated maximum monthly bill.
- b. Simple interest in deposits at the rate not less than the rate required by law shall accrue annually to the customer's credit for the time it is held by the Company. 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.

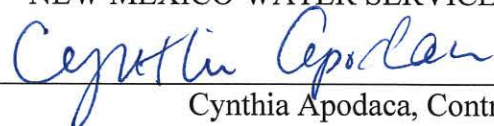
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BY Final Order Case No. 13-00384-UT

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- c. Each customer posting a security deposit shall receive in writing at the time of tender of the deposit, a receipt as evidence thereof. The receipt shall contain the following minimum information:
 - i. Name of customer
 - ii. Date of Payment
 - iii. Amount of Payment
 - iv. Statement of the terms and conditions governing the payment, retention, interest, and return of deposits.
 - d. A utility shall provide means whereby a customer entitled to a return of deposit is not deprived of the deposit even though the customer may be unable to produce the original receipt for the deposit; provided the customer can produce adequate identification to ensure that the customer is entitled to refund of the deposit.
- F. Record of Deposits. A utility shall keep records of deposits and issue receipts of deposits in accordance with the requirements of Subsections C, D, F, and G of Section 19 of General Orders No. 5 and 6.

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