

NEW MEXICO WATERWORKS, INC.

ORIGINAL RULE NO. 6

SECURITY DEPOSITS,
GUARANTEES OF PAYMENTS

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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 residential customer, except in the case of service (1 to a residential customer who has not previously had chronically delinquent residential customer of that utility, 3) as a condition for reconnection of service following discontinuance of service by the utility, and 4) to a residential customer who, in an unauthorized manner has interfered with or diverted the service of the utility situated on or about or delivered to the residential customer's premises.

B. Methods to Establish Acceptable Credit Rating for Residential Customer.

1. A residential customer or guarantor may establish an acceptable credit rating in any reasonable manner, such as the following:
 - a. Owns or is purchasing a home;
 - b. Is and has been regularly employed on a full time basis for at least one year;
 - c. Has an adequate regular source of income;
 - d. Can provide adequate credit references from a commercial credit source or utility where the residential customer had prior utility service.
2. If a residential customer or prospective residential customer cannot establish an acceptable credit rating but can demonstrate to the utility that the residential customer does not have adequate financial resources to pay the security deposit because the residential customer has low income and is elderly, disabled or subject to other special considerations, the utility shall give special consideration to such a residential customer in determining whether and in what amount a security deposit will be charged.

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FOR SERVICE ON

JAN 28 1992

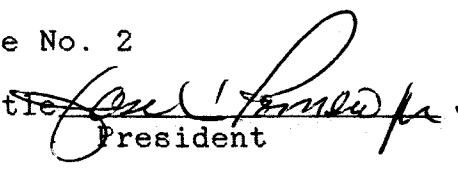
BY E.O. Case No. 2347

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President

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3. If a prospective residential customer cannot establish an acceptable credit rating but previously received utility service under the name of a spouse, the utility may consider determining whether and in what amount a security deposit will be charged.

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

1. Any residential 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 residential customer may request a refund in the amount of the excess if such excess exceeds ten dollars (\$10.00). If the residential 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 succeeding anniversary date of the deposit and the amount of the deposit shall be credit if the residential customer has not been chronically delinquent during the preceding twelve months. A residential customer may request a refund at any time after twelve months, which refund shall be promptly paid if the residential customer has not been chronically delinquent during the prior twelve month period or a utility may pay such refund in the absence of a request within a reasonable period of time.

2. Unclaimed deposits shall be handled as provided by law.

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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 tariff on file with the Commission pursuant to NMPSC Rule No. 210 but shall conform to the following:

1. 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 times that customer's estimated maximum monthly bill.
2. Simple interest on 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 utility. The deposit shall cease to draw interest on the date it is returned, on date service is terminated or on the date the refund is sent to the customer's last known address.
3. Each customer posting a security deposit shall receive in writing at the time of tender of deposit or with the first bill, a receipt as evidence thereof. The receipt shall contain the following minimum information:
 - a. Name of Customer
 - b. Date of payment
 - c. Amount of payment
 - d. Statement of the terms and conditions governing the payment, retention, interest and return of deposits

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4. A utility shall provide means whereby a customer entitled to a return is not deprived of the deposit refund even though the customer may be unable to produce the original receipt for the deposit, provided the customer can produce adequate identification to insure that the customer is entitled to refund of the deposit.

F. Records of Deposits. A utility shall keep record of deposits and issue receipts of deposits in accordance with the requirements of Subsections c., d., f. and g. of Section 19 of NMPSC Rule No. 560 and NMPSC No. 650.

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