ORIGINAL RULE NO. 20 CANCELLING NMPSC SHEET NO. 645

RULES AND REGULATIONS - ELECTRIC

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20. <u>DEPOSITS</u>

- a. NON RESIDENTIAL CUSTOMER DEPOSITS
 - (1) Requirements: At Company's discretion, the customer may be required to make a deposit at any time to guarantee payment for service.

When, at the customer's request, the Company changes the location at which service is rendered, the change of location shall not be deemed to affect the rights of the Company with regard to the application of deposit.

Deposits may be returned to the customer when the experience of the Company on that particular account justifies the refund of the deposit.

- (2) Amount: The amount of deposit shall not be more than two and one-half times the average monthly bill of the customer, as estimated by Company.
- (3) Interest: The cash deposit made by the customer to guarantee payment for service will draw interest as provided by law. Interest will accrue annually by crediting the amount of same to the customer's account and, at the option of the Company, may be paid in cash.

The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date notice is sent to the customer's last known address that the deposit is no longer required.

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20. DEPOSITS

- b. RESIDENTIAL CUSTOMER DEPOSITS
 - (1) Requirements: The Company may require a security deposit to guarantee payment for service as a condition of new or continued service to a residential customer
 - (a) who previously has not been served by the Company, or
 - (b) who has not established an acceptable credit rating as described in b.(2) below, or
 - (c) who is "chronically delinquent" (i.e., the status of a residential customer who during the prior twelve months has been disconnected by the Company for nonpayment, or who during the prior twelve months has not paid a bill by the date that a subsequent bill is rendered on three or more occasions), or
 - (d) as a condition for reconnection of service following discontinuance of service by the Company, or
 - (e) who, in an unauthorized manner, has interfered with or diverted the Company's service situated on or about or delivered to the residential customer's premises.
 - (2) Acceptable Credit Rating: A residential customer may establish an acceptable credit rating in any reasonable manner, including but not limited to the following:
 - (a) owns or is purchasing a home, or
 - (b) is and has been regularly employed on a full-time basis for at least one year, or

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20. DEPOSITS

- (c) has an adequate regular source of income, or
- (d) can provide adequate credit references from a commercial credit source or utility where the residential customer had prior utility service.
- (3) Amount: The amount of a residential customer's deposit shall not exceed one-sixth (1/6) of that residential customer's estimated annual billings or one and one-half (1½) times that residential customer's estimated maximum monthly bill.
- (4) Interest: The cash deposit made by the customer to guarantee payment for service will draw interest as provided by law. Interest will accrue annually by crediting the amount of same to the customer's account and, at the option of the Company, may be paid in cash.

The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date notice is sent to the customer's last known address that the deposit is no longer required.

- (5) Receipt: Each residential customer posting a security deposit shall receive in writing at the time the deposit is made or with the first bill a receipt as evidence of the deposit. The receipt contains the following information:
 - (a) Name of the residential customer.
 - (b) Date of payment.

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20. DEPOSITS

- (c) Amount of payment.
- (d) Statement of the terms and conditions governing the payment, retention, interest and return of deposits.
- (6) Refunds: A residential customer is entitled to a refund if such residential customer has not been chronically delinquent (see b.(1)(c) above) for the twelve (12) month period from the date of deposit or for the twelve (12) month period prior to any subsequent anniversary date of the deposit. A residential customer entitled to a refund of their deposit must produce the original receipt for the deposit or must produce adequate identification, which in the Company's discretion, insures that the residential customer is entitled to the refund.

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