

NEW MEXICO GAS COMPANY

NEW MEXICO
REGULATION
DIVISION
FILED

SECOND REVISED RULE NO. 7
CANCELLING FIRST REVISED RULE NO. 7

2013 MAR 12 PM 2 52

DEPOSITS

I. Policy

The policy of the Company is to require deposits as defined in Section IV and V of this Rule.

II. Definitions

The following definitions shall apply to this Rule:

[Paragraph Deleted] x

- 1. "Delinquent" is the status of a bill rendered to a Customer for utility service which remains unpaid after the due date of the bill.
- 2. "Discontinuance of service" is an intentional cessation of service by the Company not voluntarily requested by a Customer.
- 3. "Final Notice – Non-Residential" is the personal communication by the Company with a Non-Residential Customer by telephone, hand delivery or other electronic communications at least two (2) days prior to the Specific Date of discontinuance of service, excluding Sundays and holidays observed by the Company, to remind the Non-Residential Customer of the pending date of discontinuance of service. x
- 4. "Final Notice – Residential" is the communication by the Company with a Residential Customer by telephone, mail if delivery to the residential service address can be verified, or personal contact at least two (2) days prior to the Specific Date of discontinuance of service to remind the Residential Customer of the pending date of discontinuance of service; advise the Residential Customer again of the potential availability of financial assistance for utility service payments, obtain payment of delinquent accounts; and during the heating season, provide a remind of the protection under the moratorium. x

III. Deposits will be accepted only if required by the Company and only in the amount requested by the Company.

IV. Deposit Requirements for Residential Service

- 1. The Company will not require a deposit of a Residential Customer unless the Residential Customer has:
 - a. Not previously had service with the Company and has not established an acceptable credit rating;
 - b. On three (3) or more occasions, within a twelve (12) month period, received a Final Notice; x
 - c. Had a discontinuance of service for nonpayment of bills rendered by the Company; or x

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BY

Advice Notice No. 37

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- d. Without authorization, interfered with, or diverted service, or tampered with Company equipment.
2. Procedures for establishing credit:
- a. In determining whether a Residential Customer, who has not previously had gas service with the Company, has an acceptable credit rating, the Company shall consider the following:
- (i) documentation that the Residential Customer owns or is purchasing the residence served;
 - (ii) documentation that the Residential Customer has an adequate income;
 - (iii) documentation that the Residential Customer has an adequate credit reference from a utility where the Residential Customer had prior utility service;
 - (iv) documentation obtained by the Company from a commercial credit source; or
 - (v) any other reasonable documentation.
- b. If a Residential Customer or prospective Residential Customer can demonstrate to the Company that the Residential Customer does not have adequate financial resources to pay the security deposit and the Residential Customer meets the qualifications of LIHEAP, or is subject to other special circumstances, the Company shall give special consideration to such Residential Customer in determining whether or in what amount a security deposit will be charged or if payment by an installment agreement is appropriate. In making such a determination, the Company shall accept documentation from the Administering Authority that such Residential Customer or prospective Residential Customer meets the qualifications of LIHEAP. x
- c. If a prospective Residential Customer cannot establish an acceptable credit rating but previously received utility service under the name of a spouse, the Company may consider prior utility service to that spouse in determining whether and in what amount a security deposit will be charged.
3. The Company reserves the right to collect a deposit or an increase in the amount of a previous deposit from any Residential Customer who has on three (3) or more occasions, within a twelve (12) month period, received a Final Notice, or has been the subject of a discontinuance of service. x
4. Special considerations will be given those Residential Customers establishing themselves as low income, low income and elderly, or low income with disability. x
5. The deposit for a Residential Customer shall not exceed an amount equal to one-sixth (1/6) of the estimated annual billings. The Company shall base its deposit criteria upon the most recent available prior twelve (12) month x

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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.

6. Simple interest on deposits at the rate not less than the rate required by NMSA 1978, Section 62-13-13 shall accrue annually to the Residential Customer's credit for the time the deposit 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 Residential Customer's last known address. x
7. Each Residential Customer posting a deposit will be issued in writing a non-assignable deposit certificate containing the following minimum information:
 - a. Name of the Residential Customer and/or account holder making the deposit;
 - b. Date of the deposit payment;
 - c. Amount of the deposit payment; and
 - d. Statement of the terms and conditions governing the payment of deposit, retention, interest, and refund.
8. Deposits may, at the Company's discretion, be applied to any of the Residential Customer's delinquent bills or to the Residential Customer's bill rendered by the Company when the Residential Customer's service is disconnected or discontinued, without waiving any other legal rights available to the Company to recover any of the Residential Customer's unpaid balance.
9. Earned interest will be credited to the account during the first quarter of each calendar year so long as the Company retains the deposit.
10. Refunds of deposits for Residential Service.
 - a. Refunds of deposits will be made as soon as practicable after the Residential Customer notifies the Company of termination of service and after meters have been read and the Company has ascertained that the obligations of the Residential Customer have been settled in full. Refunds will be made only to the name reflected on the account.
 - b. The Company will promptly credit or refund the deposit with interest if the Residential Customer has not received a Final Notice for the twelve (12) month period from the date of the deposit. x
 - c. 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 twenty-five dollars (\$25). If the Residential Customer fails to qualify for a refund of the deposit on the one (1) year anniversary date of the deposit that x

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account shall be reviewed at least annually and the amount of the deposit shall be credited if the 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 be promptly paid if the Residential Customer has not received a Final Notice during the prior twelve (12) month period, or the Company may pay such refund in the absence of a request within a reasonable period of time. x
x
x

11. The disposition of any unclaimed deposits shall be handled as required by law.

V. Deposit Requirements for Non-Residential Service

1. The Company will not require a deposit or other guarantee of payment as a condition of new or continued service unless the Non-Residential Customer has: x
x
 - a. Has not previously had gas utility service and has not established an acceptable credit rating; x
 - b. On three (3) or more occasions, within a twelve (12) month period, received a Final Notice; x
 - c. Had a discontinuance of service for non-payment of bills rendered by the Company; or x
 - d. Without authorization, interfered with, or diverted service, or tampered with Company equipment. x
2. The Company will require a deposit of a Non-Residential Customer unless the requirement is waived pursuant to any of the following: x
x
 - a. If a Non-Residential Customer has in the past established a satisfactory record of payment with the Company; x
 - b. If a Non-Residential Customer has provided documentation that the Non-Residential Customer has an adequate credit reference from a utility where the Non-Residential Customer had prior utility service; x
 - c. Documentation obtained by the Company from a commercial credit source; or x
 - d. Any other reasonable documentation. x
3. The Company may give special consideration to a prospective or existing Non-Residential Customer in determining if payment of a deposit by an installment agreement is appropriate. x
x
4. The Company reserves the right to collect a deposit or an increase in the amount of a previous deposit from any Non-Residential Customer who has on three (3) or more occasions, within a twelve (12) month period received a Final Notice or has been the subject of a discontinuance of service. x
x

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5. The deposit shall not exceed an amount equivalent to one-sixth (1/6) of that Non-Residential Customer's estimated annual billing. The Company shall base its deposit criteria upon the most recent available prior twelve (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 businesses in the area. x
6. Simple interest will accrue at the rate not less than the required by NMSA 1978, Section 62-13-13, shall accrue annually to the Non-Residential Customer's credit for the time the deposit 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 Non-Residential Customer's last known address. x
7. Each Non-Residential Customer posting a deposit will be issued in writing a non-assignable deposit certificate containing the following minimum information: x
 - a. Name of the Non-Residential Customer and/or account holder making the deposit;
 - b. Date of the deposit payment;
 - c. Amount of the deposit payment; and
 - d. Statement of the terms and conditions governing the payment of deposits, retention, interest, and refund.
8. Deposits may, at the Company's discretion, be applied to any of the Non-Residential Customer's delinquent bills or to the Non-Residential Customer's bill rendered by the Company when the Non-Residential Customer's service is disconnected or discontinued, without waiving any other legal rights available to the Company to recover any of the Non-Residential Customer's unpaid balance. x
9. Earned interest will be credited to the Non-Residential Customer's account during the first quarter of each calendar year.
10. Refunds of deposits for Non-Residential Service.
 - a. Refunds of deposits will be made as soon as practicable after the Non-Residential Customer notifies the Company of termination of service and after meters have been read and the Company has ascertained that the obligations of the Non-Residential Customer have been settled in full. Refunds will be made only to the name reflected on the account.
 - b. The Company will promptly credit or refund the deposit with interest if the Non-Residential Customer has not received a Final Notice for the twelve (12) month period from the date of the deposit. x

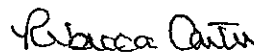
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- c. If the amount of the deposit exceeds the amount of the current bill, the Non-Residential Customer may request a refund in the amount of the excess if such excess exceeds twenty-five dollars (\$25). If the Non-Residential Customer fails to qualify for a refund of the deposit on the one (1) year anniversary date of the deposit, that account shall be reviewed at least annually, and the amount of the deposit shall be credited if the Non-Residential Customer has not received a Final Notice during the preceding twelve (12) months. x
x
x
x
11. The disposition of any unclaimed deposits shall be handled as required by law.

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