

**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ADVICE NOTICE**

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Advice No. 2

Date: February 26, 2025

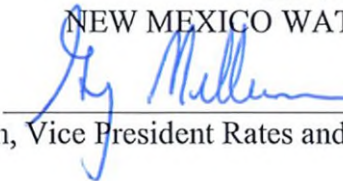
NEW MEXICO PUBLIC REGULATION COMMISSION

New Mexico Water Service Company hereby gives notice to the public and the Commission of the filing and publishing of the following rules and regulations, which are attached hereto:

Rule No.	Title	Canceling Rule No.	Date Effective
Original Rule No. 1	Preamble to Rules and Regulations	AV Water Rule No. 1	March 26, 2025
Original Rule No. 2	Definitions and Explanations	AV Water Rule No. 2	March 26, 2025
Original Rule No. 3	Character of Service	AV Water Rule No. 3	March 26, 2025
Original Rule No. 4	Application for Service	AV Water Rule No. 4	March 26, 2025
Original Rule No. 5	Rendering of Payment of Bills	AV Water Rule No. 5	March 26, 2025
Original Rule No. 6	Security Deposits, Guarantees of Payment	AV Water Rule No. 6	March 26, 2025
Original Rule No. 7	Disputed Bills	AV Water Rule No. 7	March 26, 2025
Original Rule No. 8	Service Connection	AV Water Rule No. 8	March 26, 2025
Original Rule No. 9	Discontinuance & Denying Restoration of Service	AV Water Rule No. 9	March 26, 2025
Original Rule No. 10	Responsibility for Water Service Equipment	AV Water Rule No. 10	March 26, 2025
Original Rule No. 11	Interruption of Service	AV Water Rule No. 11	March 26, 2025
Original Rule No. 12	Rates and Optional Rates	AV Water Rule No. 12	March 26, 2025
Original Rule No. 13	Acceptable Standards	AV Water Rule No. 13	March 26, 2025
Original Rule No. 14	Company's Right to Ingress and Egress	AV Water Rule No. 14	March 26, 2025

ADVICE NOTICE NO. 2

NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

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March 26, 2025

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ADVICE NOTICE**

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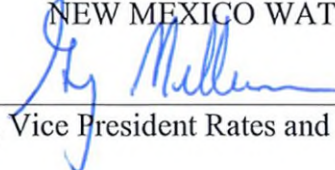
Date: February 26, 2025

NEW MEXICO PUBLIC REGULATION COMMISSION

Rule No.	Title	Canceling Rule No.	Date Effective
Original Rule No. 15	Unauthorized Connections	AV Water Rule No. 15	March 26, 2025
Original Rule No. 16	Stoppage or Obstruction of Service	AV Water Rule No. 16	March 26, 2025
Original Rule No. 17	Temporary and Special Service	AV Water Rule No. 17	March 26, 2025
Original Rule No. 18	Metering	AV Water Rule No. 18	March 26, 2025
Original Rule No. 19	Line Extension Policy	AV Water Rule No. 19	March 26, 2025
Original Rule No. 20	Limitations and Restrictions of Use of Water	AV Water Rule No. 20	March 26, 2025
Original Rule No. 21	Settlement Agreements	AV Water Rule No. 21	March 26, 2025
Original Rule No. 22	Commission Complaint Procedures	AV Water Rule No. 22	March 26, 2025
Original Rule No. 23	Estimated Bills	AV Water Rule No. 23	March 26, 2025
Original Rule No. 24	Cross Connections		March 26, 2025

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM**

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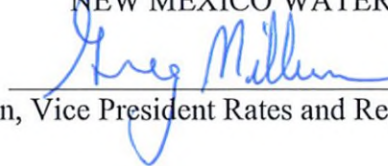
RULES & REGULATIONS

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 1
CANCELING AV WATER RULE NO. 1
PREAMBLE**

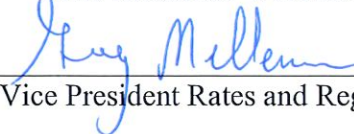
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These Rules and Regulations shall cover domestic water distribution service furnished by New Mexico Water Service Company. The properties to be serviced are more particularly described in the filings submitted to the New Mexico Public Regulation Commission pursuant to its General Order 2. These rules are intended to promote safe and adequate water service to the public and to provide standards for uniform and reasonable practice.

Conformed copies of these Rules and Regulations are available for inspection at the Company's main offices.

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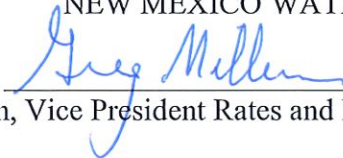
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 2
CANCELING AV WATER RULE NO. 2
DEFINITIONS AND EXPLANATIONS**

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- A. COMPANY – NEW MEXICO WATER SERVICE COMPANY – MORNINGSTAR WATER SYSTEM
- B. CUSTOMER – Any person, firm, association, corporation, or any agency of the federal, state or local government, being supplies with, and/or responsible for payment for, water service by the Company.
- C. WATER SERVICE – The general term for furnishing the customer with water; also, the pipe connection from a distribution water main to a customer's water meter.
- D. POINT OF DELIVERY – The point of delivery shall be the point where the facilities of the Company connect to the facilities furnished by the customer as provided herein.
- E. YARD LINE or CUSTOMER'S WATER LINE – The piping owned and installed by the customer side of the meter to his point of service.
- F. RECONNECT CHARGE – A charge made by the Company at the time application is made to restore service which was previously disconnected at the same customer premise(s) less than 12 months before the date of the application for reconnection.
- G. PRESSURE – Under normal conditions, including expected peak, water pressure at the customer's meter connection shall not be less than 30 p.s.i. nor more than 125 p.s.i., in accordance with Section 5A of the Commission's minimum design standards.
- H. CHRONICALLY DELINQUENT – The status of a customer who during the prior twelve months has been disconnected by the Company for non-payment, 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.
- I. DELINQUENT – The status of a bill rendered to a customer for utility service which remains unpaid after the due date of the bill.

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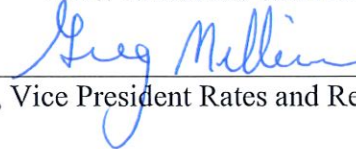
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 2
CANCELING AV WATER RULE NO. 2
DEFINITIONS AND EXPLANATIONS**

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- J. DISCONTINUANCE OF SERVICE – An intentional cessation of service by the Company not voluntarily requested by a customer.
- K. ESTIMATED BILL – A bill for utility service which is not based on an actual reading of the customer's meter, or other measuring device, for the billing period.
- L. RENDITION OF A BILL – The date of mailing or personal delivery of a bill by the Company.
- M. RESIDENTIAL SERVICE OR USE – The provision of or use of water for household or domestic purposes.
- N. SPECIAL SERVICE – A service provided to a customer by the Company which is not subject to a tariff schedule.
- O. UTILITY CHARGES – The billing or charges for the provision of utility service and other charges authorized by the Commission pursuant to approved tariffs.
- P. MONTH or BILLING PERIOD – The elapsed time between two successive meter readings, which elapsed time shall be approximately 30 days.
- Q. CUSTOMER LOCATION or CUSTOMER PREMISE(S) – The customer's installation or structure for which water service is required. A group of structures closely situated which are under the direct management and control of the customer may, at the Company's discretion, be considered to be one customer location or customer premise(s).

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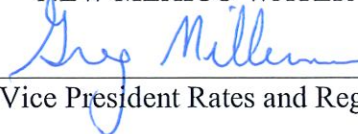
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 3
CANCELING AV WATER RULE NO. 3
CHARACTER OF SERVICE**

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- A. Water service for domestic use will be furnished under conditions as stated in these Rules and Regulations and the applicable provisions of the Company's Rate Schedules.
- B. Water service will be furnished under the rate specified in the rate schedule based upon the customer class as established by the appropriate rate tariff on file with the Commission and currently effective.
- C. Each separate customer service or customer meter location will be metered and billed separately.

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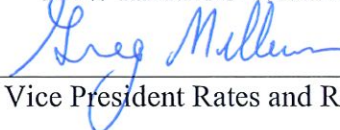
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 4
CANCELING AV WATER RULE NO. 4
APPLICATION FOR SERVICE**

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- A. All applicants for service may be required to sign:
 - a. The Company's Standard Service Agreement; or
 - b. Such Special written contract as shall be required to cover the particular service desired.
- B. The applicant for new service shall submit an application for service and shall furnish to the Company any permits required by law for the facilities where the water service will be used. Upon arrival of such application, the Company shall have reasonable time thereafter to provide water service.
- C. A reconnection fee shall be paid by an applicant for transfer of existing service or for service which has been previously involuntarily disconnected from any system operated by the Company. In addition to the reconnection fee, the applicant shall pay all delinquent fees and charges owed to the Company.
- D. The conditions of piping and character of installation on the premises shall be subject to inspection by the Company and be approved by the appropriate government inspection agencies, and if such piping and/or installation is found to be faulty, the Company may refuse to provide service until, and after, such faulty installation has been corrected to the satisfaction of such appropriate governmental agencies or the Company. Company does not, however, assume the responsibility for such inspections and shall not be held liable for failure of such piping or installations.
- E. The Company reserves the right to limit each customer to a maximum daily average usage where circumstances warrant.

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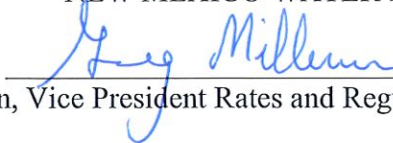
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 5
CANCELING AV WATER RULE NO. 5
RENDERING AND PAYMENT OF BILLS**

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- A. The Company shall render a bill to every customer for each billing period in accordance with the applicable tariffs.
- B. Each separate customer service and customer meter location shall be metered and billed separately (See Rule No. 3C).
- C. A customer shall be given at least twenty (20) calendar days from the date of rendition of a bill for payment in full before the bill is deemed delinquent.
- D. If the last day for payment of a bill falls on a Sunday, on a legal holiday, or on any other day when the office(s) of the Company regularly used for the payment of customer bills are not open to the general public, the final payment date shall be extended through the next business day.
- E. Rules relating to late payments and delinquency in payment of bills are found in Rule No. 9 herein (Discontinuance and Denying Restoration of Service) which provides that a customer shall be given at least fifteen (15) calendar days from the date the bill is deemed delinquent before the Company may disconnect utility service pursuant to requirements of Rule No. 9.

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 6
CANCELING AV WATER RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT**

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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 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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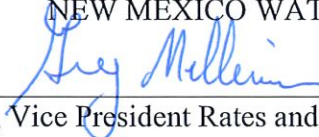
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 6
CANCELING AV WATER RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT**

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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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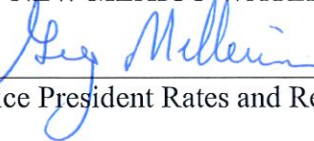
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 6
CANCELING AV WATER RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT**

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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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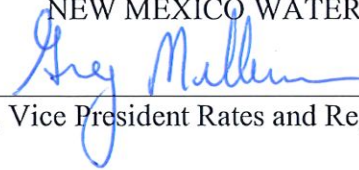
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 7
CANCELING AV WATER RULE NO. 7
DISPUTED BILLS**

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- A. The Company agrees to promptly investigate any questions as to the accuracy of bills for service rendered, and if the bill is in error, the Company shall submit a corrected bill to the customer as promptly as circumstances permit or give credit on the bill rendered to the customer. Refer to Rule No. 18 for matter relating to meter accuracy.
- B. In the event a customer disputes the amount of a bill for service rendered, the Company shall promptly make a complete investigation of the matter, and, if the bill is correct, use its best efforts to explain the questionable points to the customer.

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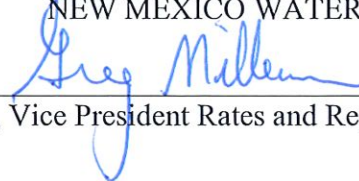
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 8
CANCELING AV WATER RULE NO. 8
SERVICE CONNECTION**

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- A. The Company reserves the right to determine the point of service for any customer's premises. The Company shall be called upon for exact information regarding the service entrance before any piping in the interior of the building has been started. If such information is not secured, expensive changes in piping installation may result for which the Company shall not be held liable in any way and for which the Company will not assume any responsibility.
- B. Not more than one service line for each class of service under the Company's rate schedules shall be installed at any customer premise or location, except at the discretion of the Company as special circumstances may warrant. If separate metering is required, billing shall be separate for each meter. To the extent possible and practical, if more than one meter is required at a customer premise or location, all meters shall be located at the same point or in the same area, which point or area shall be acceptable to the Company.
- C. No more than one single-family residential unit shall be served through any single domestic water service connection. In the case of multiple dwelling units or condominiums, service can be rendered by a single connection or by individual meters for each dwelling unit at the option of the owner.
- D. Company's service laterals shall terminate at the property line and it shall be the customer's responsibility and at the owner's expense to install a stop and waste valve and to make the necessary connection from the Company's service lateral to the building or buildings to be served. For those systems providing fire protection the customer shall install a pressure-regulating device.
- E. Company will endeavor to install meters as close as possible to the property line provided there is public access to the meter location.
- F. Cross connection with any other source of water made to Company's lines is addressed in Rule 24.

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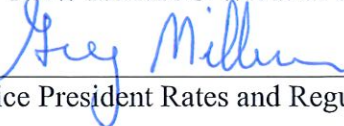
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 9
CANCELING AV WATER RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

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- A. Customers who intend to move from the premises or discontinue the use of water or in any way terminate their liability hereunder shall give the Company reasonable notice of such intentions and the customer will be liable for all water that may be used upon the premises until such notice is given and the Company has made the final meter reading. Upon receipt of such notice, the Company will read the meter within a reasonable period of time.
- B. Any customer desiring service disconnected shall give notice in writing to the Company at its office. The Company will endeavor to the best of its ability to act upon telephone or verbal orders to discontinue service, but in the event of a dispute, only a written order will be considered proof of notice.
- C. The Company reserves the right to interrupt service for a reasonable period for repairs to its property or equipment.
- D. The Company may discontinue utility service to a customer without prior notice:
 - a. In the event of a condition determined by the Company to be hazardous.
 - b. In the event of a customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
 - c. In the event of a customer's tampering with, damaging, or deliberately destroying the equipment furnished and owned by the Company.
 - d. In the event of unauthorized use of service provided by the Company.
- E. The Company may discontinue utility service to a customer for:
 - a. Non-payment of a delinquent account.
 - b. Failure to comply with the terms and conditions of a settlement agreement.
 - c. Discontinuance of utility service under this sub-paragraph shall be governed by the sub-paragraphs L, M, N, O, and P of this rule.
- F. After three days prior written notice, the Company may discontinue utility service to a customer for:
 - a. Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, meter reading, maintenance or replacement.

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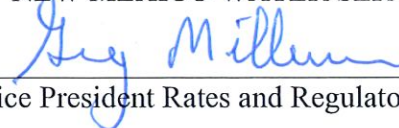
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 9
CANCELING AV WATER RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

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- b. Failure to furnish such service, equipment, permits, certificates, and/or rights of way, as shall have been specified by the Company as a condition to obtaining service, or in the event such equipment or permission is withdrawn or terminated.
 - c. Violation of and/or non-compliance with the Company's rules on file with and approved by the Commission.
 - d. Failure of the customer to fulfill contractual obligations for utility service and/or facilities other than settlement agreements.
- G. The three-day notice required by paragraph F of this rule shall be in English and Spanish, as may be applicable, and shall include the following:
- a. A statement of the reason(s) why the Company has issued notice to discontinue utility service.
 - b. The title(s), address, telephone number(s) and working hours of the personnel at the Company responsible for carrying out the rights herein prescribed.
 - c. A statement that the customer can obtain a review by personnel of the Company of the reasons for the proposed discontinuance of service, which shall stay the discontinuance during the review, and a statement that a complaint may be filed with the Commission if the customer disagrees with the Company's determination of the facts on which the discontinuance is based.
- H. The Company shall not discontinue service for:
- a. The failure of a customer to pay for special services.
 - b. The failure of a customer to pay for service received at a separate service point, residence, or location. However, in the event of discontinuance or termination of service at a separate residential service point, residence or location, the Company may transfer any unpaid balance due to any other service account of the customer and proceed in accordance with Paragraph E.
 - c. The failure of the customer to pay for a different class of service received at the same or different location. However, the placing of more than one meter at the same location for the purposes of billing the usage of specific devices under optional rate tariffs or provisions is not construed as a different class of service.
 - d. Non-payment of the disputed amount of a bill.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

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March 26, 2025

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By: Operation of Law

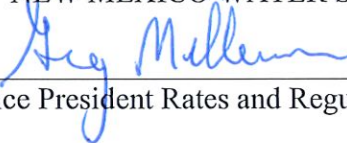
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 9
CANCELING AV WATER RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

X

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- e. Delinquency in payment for service to a previous occupant of the same premises unless a court has found the new customer legally liable for the debt of the previous occupant or the previous occupant continues to reside at the premises.
 - f. Failure of the customer to pay the bill of another customer as a guarantor thereof.
 - g. Failure of a customer to pay an estimated bill rendered in violation of Rule No. 21.
- I. Use of the Company's curb or meter shut-off valve by customer or customer's agent is prohibited. This practice by unauthorized persons may be reason for discontinuance of service.
- J. If during a shortage of supply the Company finds evidence of excessive waste of water by a customer, or if it becomes necessary to ration water, the Company will advise the customer of such condition. If within 24 hours of receiving notice from the Company the customer has failed to (1) correct the condition causing excessive use, (2) comply with rationing orders or (3) demonstrate to the Company's satisfaction why he cannot comply with this time period the Company proceed with discontinuance of service.
- K. Any customer who's service is involuntarily disconnected may be required to pay a reconnection fee in addition to all other fees and charges before being reconnected to any system operated by the Company.
- L. At least fifteen (15) days before the Company proposes to discontinue service to a customer, the Company shall provide that customer with notice of each of the rights such customer may have relating to discontinuance of service and settlement agreements. Such notice shall be in writing, in English and Spanish, and shall be in simple language. Such notice shall be delivered to the affected customer in person or by depositing a copy of the notice in the U.S. Mail, postage prepaid, addressed to the customer at the address for the affected customer known to the Company. Such notice shall contain:
- a. The title(s), address, telephone number(s), and working hours of the personnel at the Company responsible for carrying out the rights.

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NEW MEXICO WATER SERVICE CO.



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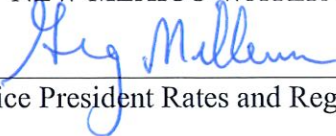
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 9
CANCELING AV WATER RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

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- b. The amount owed and the date by which the customer must either pay the amount due or make other arrangements with the Company concerning payment of the charges, including arrangements for a settlement agreement. The billing periods over which said amount was incurred, and the date and amount of the last payment shall be available on request.
- c. A statement that if the customer pays that portion of the bill which is not in a bona fide dispute, the customer can obtain a review by personnel of the Company of the portion of the bill which the customer does dispute.
- d. A statement that a customer may file a complaint with the New Mexico Public Regulation Commission in accordance with NMPRC Rule 17 NMAC 1.2 if the customer disagrees with the Company's determination concerning discontinuance of service.
- e. A statement that the Company will not discontinue service to any residence where a seriously ill person resides or a person whose life may be endangered by the discontinuance of service, if at least two (2) days prior to the proposed service discontinuance date indicated in the notice, the designated Company personnel receives a certificate or copy thereof from a practitioner of the healing arts, on forms provided by the Company or other suitable forms, stating the discontinuance of service might endanger the person's life and the customer demonstrates to the designated Company personnel in writing, on forms provided by the Company or other suitable forms, that such customer does not have adequate financial resources to pay the utility charges when due, whether or not that accuracy of such charges are the subject of bona fide dispute; and that if service has been discontinued, the Company shall re-establish service within twelve (12) hours of receipt of said certificate. A blank medical certificate, which shall permit the physician, physician assistant, osteopathic physician, osteopathic physician assistant, or nurse practitioner to indicate the expected duration of the customer's serious illness or life endangering situation and a form for notifying the Company of a customer's having inadequate financial resources to pay utility charges when due. Such forms properly executed shall be adequate to delay discontinuance for up to one hundred twenty (120) days or for a longer period of time. The Company shall promptly notify the customer in writing as to how long it deems the certificate to be valid; provided,

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 9
CANCELING AV WATER RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

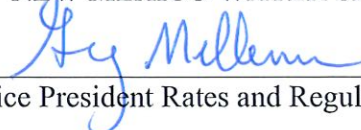
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however, that should the circumstances on which certificate is based appear to have change, the Company may require additional certification.

- f. A statement of the cost of reconnection.
 - g. A statement "If you are a recipient of public assistance, contact your caseworker immediately."
- M. The Company shall take reasonable steps to communicate with a customer, by telephone or personal contact, at least two (2) days prior to the actual date of discontinuance of service, in order to obtain payment of delinquent accounts. The Company employee personally contacting a customer two (2) days prior to discontinuance, and the utility employee sent to discontinue utility service shall note any information which is made known to the employee by the customer regarding any resident's serious illness or life endangering health condition, such as whether a resident is physically disabled, frail or elderly. Such information shall be immediately reported in writing to a Company employee authorized to prevent discontinuance. That employee shall either delay the discontinuance order if it is apparent that the forms as provided for in Paragraph No. L.e. will be received, or shall state in writing why such delay is not effected. The Company and Company employee's noting of the information made known by customer, acting upon such information or failing to act on such information in good faith, shall cause the Company and the Company employee to be held harmless for error made. The Company employee sent to discontinue utility service shall be empowered to receive payment of delinquent bills and upon receipt of payment, said employee shall be empowered to cancel the discontinuance order.
- N. The Company shall offer its customers a third party notification program and develop adequate procedures for notification to its customers of this availability of the program. The third party notification program shall only be extended to customers who notify the Company in writing of their desire to participate in the program and designate a specific person, organization, or governmental agency who is ready, willing and able to assist the customer in the payment of utility bills. Upon receipt of such notice from a customer, the Company shall not discontinue service to the customer for nonpayment of past due charges without (1) contacting the designated person, organization or governmental agency by phone or in writing at least fifteen (15) days prior to the proposed

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 9
CANCELING AV WATER RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

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- discontinuance of service; and (2) determining that the designated person, organization or governmental agency has not made a commitment to assist payment of the past due charges of that customer within a reasonable period of time.
- O. When a customer has indicated to the Company an inability to pay utility charges and has not been chronically delinquent, the Company shall attempt to arrange an installment payment plan for the payment of past due utility charges. While an installment payment plan is being negotiated, the Company shall not discontinue service to such residence. In the event that either negotiation of the installment plan is discontinued or progress in its negotiation is stalled, the Company may proceed with discontinuance of service.
- P. The Company shall provide a procedure for reviewing customer allegations that a proposed installment payment plan is unreasonable; that a utility charge is not due and owing; or that it has not violated an existing installment payment plan. Such procedure shall provide due notice to customers, and the reviewing employee shall have authority to order appropriate corrective action. Such review shall stay the discontinuance of utility service until the review is completed.
- Q. Utility service to a customer may be discontinued only during the hours of 8:00 a.m. to 3:00 p.m. on Monday through Thursday and may not be discontinued less than twenty four (24) hours prior to a holiday or weekend unless the Company's business office is open for receipt of payment of past due charges and the Company personnel are available to restore such service upon payment during said holiday or weekend.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



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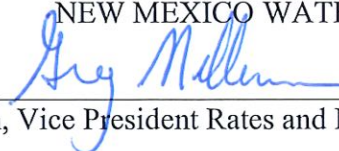
NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 10
CANCELING AV WATER RULE NO. 10
RESPONSIBILITY FOR WATER SERVICE EQUIPMENT

X

Page 1 of 1

- A. Company's Responsibility. The Company does not assume any responsibility for the customer's yard line or for any customer water lines or fixtures on any customer's premises.
- B. Customer's Responsibility. The customer shall use due diligence to protect the property of the Company, installed on the premises of the customer or on premises under his control, and the representative of the Company shall have the right of access to the premises at all reasonable hours for the purpose of inspecting, testing, repairing, installing or removing the property of the Company and for the purpose of reading the customer's meter.

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NEW MEXICO WATER SERVICE CO.



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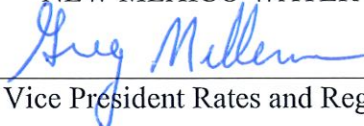
NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 11
CANCELING AV WATER RULE NO. 11
INTERRUPTION OF SERVICE

X

Page 1 of 1

- A. The Company agrees to use reasonable diligence in rendering continuous service, and in furnishing a regular and uninterrupted supply of water, but the Company does not guarantee uninterrupted of such service and supply and shall not be liable for damages in case such supply should be interrupted or fail be reason of an act of God, the public enemy, accidents, strikes, legal process, state, county or municipal interferences, breakdowns or damage to the machinery or supply, processing and distribution or any cause beyond the control of the Company.
- B. The Company reserves the right to discontinue water distribution service for the purpose of making connection with its business and will not be liable for damages occasioned by interruption of or reduction in, service when such interruptions or reductions are necessary to make repairs or changes in the Company's transmission or distribution facilities. The Company will endeavor to give reasonable notice in advance of any planned shut-off.

ADVICE NOTICE NO. 2
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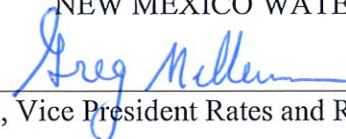
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 12
CANCELING AV WATER RULE NO. 12
RATES AND OPTIONAL RATES**

X

Page 1 of 1

- A. The rates to be charged by and paid to the Company for all water service will be rates legally in effect, approved by and on file with the New Mexico Public Regulation Commission. Complete schedules of all rates legally in effect will be kept at all times at the Company's office at 387E Rio Communities Blvd., Belen, New Mexico 87002, and at the offices of the New Mexico Public Regulation Commission in Santa Fe.
- B. Any and all changes made in the filed rates, or in the terms and conditions of service under which the contract between the Company and the customer is made, shall apply to the contract on and after the date such changes have been approved by the New Mexico Public Regulation Commission and said changes become effective.
- C. The Company does not assume responsibility for selecting the rate schedule most advantageous to the customer. The Company will, at the request of a customer, assist in determining the appropriate rate schedule for the customer. Such rate schedule selection, when made, shall not be retroactive and shall remain in force for a period of one year.

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 13
CANCELING AV WATER RULE NO. 13
ACCEPTABLE STANDARDS**

X

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The Company will adhere to the applicable NMPRC minimum design and construction standards as established under NMPRC Rule No. 750.

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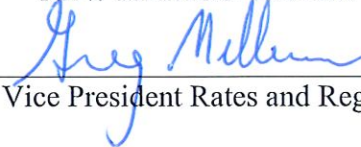
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 14
CANCELING AV WATER RULE NO. 14
COMPANY'S RIGHT TO INGRESS TO AND EGRESS FROM CUSTOMER'S
PROPERTY**

X

Page 1 of 1

Duly authorized agents or employees of the Company carrying proper credentials and identification, shall have free access at all reasonable hours to all parts of the premises of the customer for the purpose of inspection and testing or for reading, changing or removing its water meters. If such duly authorized agents or employees, after showing proper credentials and identification, are refused admittance or hindered or prevented from making such inspections, the service may be discontinued until free access is given in accordance with Rule 9, section F.a.

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NEW MEXICO WATER SERVICE CO.



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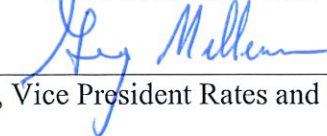
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 15
CANCELING AV WATER RULE NO. 15
UNAUTHORIZED CONNECTIONS**

X

Page 1 of 1

- A. Water service furnished by the Company to any customer shall be used only in connection with such customer's premises to which the service is piped. No additional facilities or supplies shall be connected to the existing service nor shall service be piped from one residence, dwelling, or building to another residence, dwelling or building without first obtaining written permit, authorization and/or statement of requirements from the Company.
- B. Water service furnished by the Company to any customer shall be used only in connection with such customer's business or at the residence to which the water service is connected by Company's service line and water so provided by the Company shall under no circumstances be resold to any other party or parties.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 16
CANCELING AV WATER RULE NO. 16
STOPPAGE OR OBSTRUCTIONS OF SERVICE**

X

Page 1 of 1

- A. The Company shall not be responsible for the stoppage or obstruction or breaks in facilities or lines of the customers.
- B. In the event of the stoppage of a meter, or of the failure of a meter to register the full amount of water consumed, the customer may be rendered an estimated bill subject to the application of Rule Nos. 18 H, and 23 herein (Metering and Estimated Bills).

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



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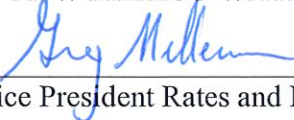
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 17
CANCELING AV WATER RULE NO. 17
TEMPORARY AND SPECIAL SERVICES**

X

Page 1 of 1

- A. Where service connections are available, temporary domestic water service will be furnished under the Company's established rules, regulations and rates for the type of service required; provided, however, that the customer shall pay, in addition to the cost of service rendered under its applicable rate, the cost of installing, removing, connecting and disconnecting the necessary facilities to provide such services.
- B. Temporary and special service connections are primarily available to furnish and supply domestic water during states of building construction prior to the permanent connection to the completed structure. Service for specialized usage shall be considered as a special case when not covered by a specific rate or schedule filed for the specialized usage.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 18
CANCELING AV WATER RULE NO. 18
METERING**

X

Page 1 of 2

- A. Ownership of Meters. All meters used in connection with metered service shall be installed, maintained and owned by the Company.
- B. Meter Testing. Each meter, whether new or repaired, or removed from service for any cause, shall be tested and in good order before being installed. All tests to determine the accuracy of registration shall be made with standard meter testing equipment.
- C. Upon request by a customer, the Company shall make a test of the meter serving him and shall advise the customer that he may be present. If the meter has been tested within the last twelve (12) months, the company may charge the customer for making such a test and such charge will be refunded to the customer whenever the meter proves to be in excess of two percent (2%) fast. Please refer to Rate Schedule 5 for the amount of the charge.
- D. The customer or his representative may be present, if he desires, when his meter is tested. If the customer wishes to be present, he should so notify the Company at the time of his request for the meter test. The Company shall give the customer reasonable advance notification as to the day, time and place of said meter test.
- E. A report of the results of the test shall be made to the customer within a reasonable time after the completion of the test, and a record of the report, together with a complete record of each test shall be kept on file at the office of the Company with compliance to such retentions as authorized by the New Mexico Public Regulation Commission under General Order No. 3.
- F. Fast Meters. When a meter is found to be in fact in excess of two percent (2%) error against the customer in tests made at any time, the Company shall refund to the customer an amount equal to the excess charged for the water incorrectly metered. The period over which the correction is to be made shall be the time of apparent failure; provided, however, the period shall not exceed six (6) months. No part of the minimum service charge shall be refunded.

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NEW MEXICO WATER SERVICE CO.



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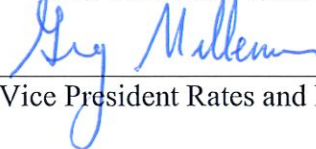
NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 18
CANCELING AV WATER RULE NO. 18
METERING

X

Page 2 of 2

- G. Slow Meters. If, upon testing, the meter is determined to be more than two percent (2%) slow, the amount of the under-charged resulting from the error will be billed to the customer, but the period employed in calculation of the undercharge shall not exceed six (6) months. The customer will not be billed for the period between his advice to the Company that he doubts the meter's accuracy and the test of the meter by the Company if the interval exceeds a time reasonable under the circumstances.
- H. Failure to Register. In the event of the stoppage or failure of the meter to register the full amount of water consumed, the customer will be billed for such period from the time elapsed since the last previous test or the time of apparent failure on an estimated consumption based upon his use of water in a similar period of like use. Provided, however, the period shall not exceed six months. Please refer to Rules 16 and 23 (Stoppage or Obstructions of Service and Estimated Bills).
- I. The Company reserves the right to test any meter at any time during business hours and to enter the premises of a customer if necessary for that purpose.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

EFFECTIVE

March 26, 2025

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 19
CANCELING AV WATER RULE NO. 19
LINE EXTENSION POLICY**

X

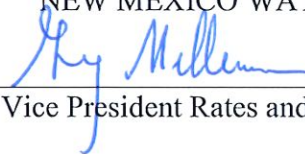
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NEW WATER SERVICE

When an extension of a Company's lines is required to serve an individual applicant or a group of applicants or a commercial enterprise or residential subdivision, with the understanding that reasonably consistent applications will be expected, extension shall be made under the following terms and conditions:

1. All line extensions shall be sized to provide adequate domestic service and, where required, fire protection service including fire hydrants.
2. Investment in the line extension required to serve the applicant may be required to be paid in total by the applicant requesting the extension in the form of an Advance for Construction or a Contribution in aid of Construction.
3. The Company shall not under any condition make an extension that would be unprofitable and thereby cause undue financial burden to existing customers, which means there shall result no increase in rates for service for existing customers, which is unduly discriminatory.
4. All lines shall be installed in existing public roads, alleys or easements. The applicant shall furnish such rights-of-way as required without charge to the Company.
5. When the applicant is an individual single family residence, or an individual residential structure that will house up to four single family residences, the following will apply:
 - a. Advances for Construction may be refunded to the original applicant on the following basis:
 - i. The estimated annual revenue for actual consumption will be determined using rates currently in effect.
 - ii. The refund to the original customer shall be no greater than 3 times the estimated annual revenue determined in paragraph 5.a.i. if no new customers connect to the original extension.
 - iii. For each new customer connected to the original extension, a refund of no greater than 3 times the estimated annual revenue for that new customer will be made if a refund is not provided for under Paragraph B below.
 - iv. In no event may refunds to an applicant total more than the Advance for Construction.

ADVICE NOTICE NO. 2
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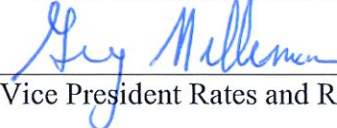
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 19
CANCELING AV WATER RULE NO. 19
LINE EXTENSION POLICY**

X

Page 2 of 3

- v. Up to 10 years after the original request for extension, the remaining advances shall become Contribution and will be no longer subject to refund.
- b. Advance for Construction may also be refunded on the following basis:
 - i. The pro rata cost of a line extension incurred by reason of its installation along property owned by others who will benefit from such extension may be computed for all such parcels and recorded for future collection when water service is requested to any such parcel. The pro rata cost of facilities installed along each abutting or benefited property may be computed on a front foot basis for individual lots or on an acreage basis for undeveloped tracts, and may be recorded to be charged against that property.
 - ii. The total construction cost for the line extension may be paid as an advance in aid of construction by the applicant, but the advance may be subject to future refunds to that applicant when water service is connected to each abutting or benefited property up to 10 years.
 - iii. When a request for water service to any such abutting property is received by Company, the pro rata cost originally computed and recorded as applicable to that property may be billed to and paid by the party when requested service before water service will be provided to the abutting or benefiting property. This amount may then be refunded to original applicant or customer if it can be determined that such applicant or customer still exists as such and if within 10 years of the date of the original line extension agreement.
 - iv. Refunds made under this provision shall not exceed the original advance less that portion needed to serve the original applicant.
- 6. Parties requesting subsequent connections or extensions to lines already installed by the Company at its expense, may be required to reimburse the Company for a pro rata share of the cost of the lines at the time connection is completed. This will be based on lines and appurtenances sized to serve the new applicant with adequate domestic and fire protection service if required. Total collections by the Company under this provision shall not exceed the total cost of the lines.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

EFFECTIVE

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NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 19
CANCELING AV WATER RULE NO. 19
LINE EXTENSION POLICY

X

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7. In the instance of residential subdivisions, commercial enterprises, or where special circumstances warrant in the case of residential line extensions otherwise includable under paragraph 5, a line extension may be made under a specific contract provided that all contract terms shall be such that no adverse financial burden will be imposed on existing utility customers. This means that the effect of a specific contract shall not cause an increase in rates for service to existing customers, which is unduly discriminatory.

All such line extension contracts shall be filed with the NMPRC. Any special or unusual conditions which affect the cost of the furnishing of an adequate or required (i.e. fire protection) supply of water for a line extension, such as elevation, terrain, construction conditions, the volume of water available from the existing supply and distribution system, or any other conditions which would result in increased cost to the Company shall be included in the cost of all line extensions. Such special contracts shall be entered into with residential customers otherwise includable under paragraph 5 when the cost of such line extensions include such special or unusual conditions.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

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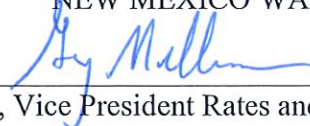
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 20
CANCELING AV WATER RULE NO. 20
LIMITATIONS AND RESTRICTIONS ON USE OF WATER**

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- A. Before undertaking anything which will use unusually large quantities of water, the Company shall be consulted for its approval of such additional service and for the terms and advice as to conditions under which the water will be supplied to the premises of the customer.
- B. The Company reserves the right to limit the size of service connections or openings through which its service is furnished and to prohibit the customer's waste or use of excessive quantities of water which may exceed or strain the capacity of the Company for supplying water to other customers. Noncompliance with this rule by any customer shall constitute grounds for discontinuing service in accordance with Rule 10.

ADVICE NOTICE NO. 2
NEW MEXICO WATER SERVICE CO.



Greg Milleman, Vice President Rates and Regulatory Affairs

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March 26, 2025

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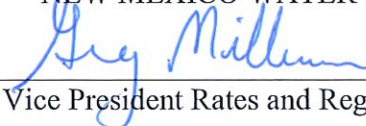
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 21
CANCELING AV WATER RULE NO. 21
SETTLEMENT AGREEMENTS**

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- A. Settlement Agreements to be in Writing. When the Company and a customer settle a dispute or when a customer does not dispute liability for an outstanding bill or bills but demonstrates an inability to pay the outstanding bill or bills then due, the Company and customer shall enter into a settlement agreement to pay the amount of the bill or bills. The terms of a settlement agreement reached by telephone which extends beyond 45 days shall be confirmed by the Company in writing and mailed or delivered to the customer. The Company is not required to enter into a settlement agreement with a chronically delinquent customer. However, if a chronically delinquent customer can demonstrate to the Company that the customer does not have adequate financial resources to pay the outstanding bill without participation in a settlement agreement because the customer has a low income and is elderly, disabled or subject to other special considerations, the Company shall give special consideration to such customer in determining whether to extend a settlement agreement to that customer.
- B. Installment Payments.
1. Every settlement agreement involving an inability to pay an outstanding bill in full when due shall provide that service will not be discontinued if the customer pays a reasonable portion of the outstanding bill upon signing the settlement agreement and agrees to pay the remaining outstanding balance in reasonable installments until the bill is paid. For purposes of determining reasonableness, the parties shall consider (a) the size of the outstanding balance; (b) the customer's ability to pay; (c) the customer's payment history; (d) the time that the balance has been outstanding; (e) the reasons why the balance has been outstanding; and (f) any other relevant factors to the customer's service. A settlement agreement to pay an outstanding past due balance does not relieve a customer from the obligation to pay future bills on a current basis.
 2. If the customer has entered into an installment plan pursuant to a settlement agreement, the customer shall receive a statement of (1) the actual service charges incurred for the current billing period; (2) the amount of the installment payment due; (3) the total amount due [sum of (1) and (2)]; and (4) an acknowledgment of previous installment payments.

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ORIGINAL RULE NO. 21
CANCELING AV WATER RULE NO. 21
SETTLEMENT AGREEMENTS

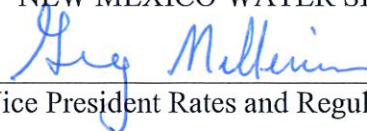
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C. Failure to Comply with Settlement Agreements.

1. If a customer fails to comply with a settlement agreement, the Company may discontinue service after notifying the customer by personal delivery of written notice, or by first class mail, that the customer is in default of the settlement agreement; stating the nature of the default; and stating that unless a payment which brings the settlement agreement current is made within seven (7) days from the date of the notice, the Company will discontinue service on a certain date.
2. Nothing in this section shall preclude the Company and a customer from re-negotiating the terms of a settlement agreement.

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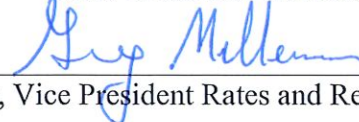
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 22
CANCELING AV WATER RULE NO. 22
COMMISSION COMPLAINT PROCEDURES**

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- A. Pursuit of Remedies with the Company as a Condition to Filing a Complaint with the Commission. The Commission shall not accept a formal or informal complaint from a customer until the customer has made a good faith effort to resolve the complaint directly with the Company. The Commission specifically reserves the right to waive this requirement when in equity and good conscience circumstances so require.
- B. Informal Complaints. Informal complaints should be in writing but may be initiated by telephone or in person at the offices of the Commission. If in writing, the complaint need not be in affidavit form. An informal complaint shall state the name and address of the customer, the name of the Company, the nature of the original complaint in a clear and concise manner, the relief requested, whether the customer has pursued all remedies with the Company which are available, and such other information as is required under the Rules of Practice of the Commission. If the informal complaint does not initially contain this information a member of the Commission staff will contact the complainant to attempt to obtain the missing data.
- C. Commission Investigation of Complaint. Upon receipt of an informal complaint, the Commission shall, when appropriate, advise the Company within a reasonable period of time, that a complaint has been filed against it; the Commission staff shall review and investigate the complaint and shall advise the complainant and the Company, within a reasonable time, of the results of the investigation.
- D. Informal Staff Conferences. If the staff of the Commission is unable to resolve the complaint to the satisfaction of the parties, either party may, within five (5) days after receipt of the results of the investigation, request an informal conference with the staff or file a formal complaint in accordance with the Rule of Practice and Procedure of the Commission. The Commission must find probable cause for the complaint prior to setting the matter down for hearing.
- E. Formal Complaints. If the parties are unable to reach a settlement of their dispute, formal complaint may be filed with the Commission pursuant to the provisions of the Rules of Practice and Procedure of the Commission.

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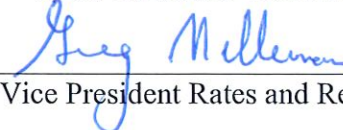
NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 22
CANCELING AV WATER RULE NO. 22
COMMISSION COMPLAINT PROCEDURES

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- F. An appeal of the Commission Prevents Discontinuance. The Company shall not discontinue utility service to a customer or issue a notice of discontinuance relative to a matter in dispute once a formal complaint has been filed with the Commission. The Commission shall immediately notify the Company that a formal complaint has been filed against it.
- G. In Forma Pauperis. The Commission shall authorize the commencement, prosecution, defense and investigation of any complaint filed under these rules without payment of fees and costs or security, by a customer who makes an affidavit that the customer is unable to pay such costs or security, as may be provided for by law.

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**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 23
CANCELING AV WATER RULE NO. 23
ESTIMATED BILLS**

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Page 1 of 1

- A. The Company may not render a bill based on estimated usage to a customer unless: (1) the Company is unable to obtain access to the customer's premises through no fault of its own for the purpose of reading the meter or in situations where the customer makes reading the meter unnecessarily difficult; (2) a meter is defective or has been evidently tampered with or bypassed; (3) weather conditions prohibit meter reading or where force majeure conditions exist. If the utility is unable to obtain actual meter readings for these reasons, it shall attempt to contact reasonably practical alternatives to obtain a water meter reading. The Company must, for no less than twelve (12) months, maintain accurate records of the reason for each estimate and of the efforts made to secure an actual reading.
- B. The Company may not render a bill based on estimated usage for more than two consecutive billing periods with prior notification to the Commission, nor for an initial reading or final bill for service, unless otherwise agreed to by the customer and the Company.
- C. If the Company underestimates a customer's usage, and subsequently seeks to correct the bill, the customer shall be given an opportunity to participate in an installment payment plan, with regard to the underestimated amount.
- D. Meter Reading. Meters will be read as nearly as possible at regular monthly intervals provided, however, if one month's meter reading is missed, the Company may bill the customer on an estimated consumption and the difference adjusted when the meter is again read. The basis for this estimate shall be the normal consumption for corresponding periods in the preceding year and/or normal consumption of preceding months. At the first reading subsequent to the non-reading the rate structure shall be taken into account when adjusting the bill.
- E. Please refer to Rule Nos. 16 and 18.H.

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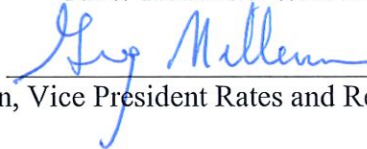
**NEW MEXICO WATER SERVICE COMPANY
MORNINGSTAR WATER SYSTEM
ORIGINAL RULE NO. 24
CROSS CONNECTIONS**

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- A. No Cross Connections Allowed - No physical connection between the water supply system of the Company and that of any other water supply or source of actual or potential contamination will be permitted. Except as provided in this rule, only connections that are in compliance with the regulations of the New Mexico Administrative Code, Title 20, Chapter 7, Part 10 will be allowed.
- B. Backflow Prevention Assemblies Required
1. To determine whether a backflow prevention assembly is required the Company will evaluate the degree of potential health hazard to the Company's water supply which may be created as a result of conditions existing on a user's premises.
 2. The evaluation will consider one or more of the following:
 - a. The existence of cross-connections
 - b. The nature of materials handled on the property
 - c. The probability of backflow occurring
 - d. The degree of piping system complexity
 - e. The potential for piping system modification
- C. Notwithstanding the Company requirements of subsection B, because certain activities present inherent risks to the Company's water supply, the Company may forego a complete evaluation and may require backflow protection based on the type of facility or nature of water use, if certain conditions are present.
1. Customers that are required to install a backflow prevention assembly under these circumstances will be provided with an internal cross connection inspection upon request, however the Company is not responsible to identify all actual or potential cross connections.
- D. The conditions under which the Company will require the installation of approved backflow prevention assembly(ies) of required type include, but are not limited to:
1. Where a fresh water supply which has not been approved by the State Department of Public Health is already available from a well, spring, reservoir or other source.
 - a. If the customer agrees to destroy this other supply and agrees to remove all pumps and piping necessary for the utilization of an auxiliary supply, the installation of backflow prevention assembly(ies) will not be required.
 2. Where surface water, or water otherwise contaminated, is available for industrial or fire protection purposes at the same premises.

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CROSS CONNECTIONS**

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3. Where the premises are or may be engaged in industrial processes using or producing process waters or liquid industrial wastes, or where the premises are or may be engaged in handling sewage or any other dangerous substances.
4. Where fresh water hydrants or other outlets are or may be installed on piers or docks.
5. Where the circumstances are such that there is special danger of backflow of sewage or other contaminated liquids through plumbing fixtures or water-using or treating equipment, or storage tanks and reservoirs.
6. Where premises have internal cross-connections that are not abated to the satisfaction of the Company or the health agency.
7. Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
8. Premises having a repeated history of cross-connections being established or re-established.
9. Premises that have more than one service connection present a loop-through hazard such that backflow protection on all service connections must be installed. Each backflow prevention assembly must be commensurate with the highest degree of hazard present, but must provide no less protection than a Double Check Valve Assembly (DC).
10. Premises that have multiple users sharing one meter must install an RP due to the risk of occupancy change without notification to the Company.
11. Premises that store or handle materials or substances that, if introduced into the water supply, have the potential to pose a health-related or aesthetic risk to drinking water quality.
12. A backflow prevention assembly must be installed at the point of connection on new or existing industrial or commercial (non-single family residential) fire sprinkler systems. A minimum of a Double Check Detector Assembly shall be required, but at its discretion, the Company reserves the right to require the installation of a Reduced Pressure Principle Detector Assembly (RPDA). The use of chemical additives, or if there is access to an auxiliary water supply, an RPDA is required.
13. A backflow prevention assembly must be installed at the point of connection on new or existing residential fire sprinkler systems. A minimum of a DC shall be required. If chemical additives, on-site storage, or booster pumps are used, backflow protection must be a Reduced Pressure Principle Assembly (RP). The Company may

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waive the requirement of a backflow prevention assembly where all of the following apply.

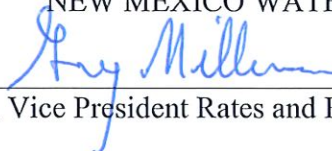
- a. The fire sprinkler system is designed and installed using potable water rated piping and appurtenances.
- b. The fire sprinkler system is designed and installed to passively purge lines to prevent stagnation, and degradation of water quality. This requires the fire sprinkler system to supply points of regular water use, such as sinks and water closets.
- c. There are no other cross-connection hazards present on the premises, or adjoining premises under common control that would require a testable backflow prevention assembly either at the point of service connection, or within the internal piping system.

14. All new or modified fire systems that are being fitted with a backflow prevention assembly shall be designed by a licensed engineer at the customer's expense.

E. Type and Expense of Backflow Prevention Assemblies

1. Any backflow prevention assembly utilized shall be of the type and design specified and approved for the degree of hazard and hydraulic conditions, except that a customer may utilize an approved backflow prevention assembly providing greater protection than required.
2. Such backflow prevention assembly shall be installed by and at the expense of the customer, in a manner approved by the Company and the public health agency having jurisdiction.
3. Backflow prevention assemblies shall be tested, repaired or replaced at the expense of the customer.
4. Backflow preventer prevention assemblies shall be installed as close as practical to the customer's connection to the Company, prior to any tee or branch line, and in a location which that is readily available for periodic inspection.
5. Existing backflow prevention assemblies that are determined to provide an inadequate level of protection must be replaced by the appropriate level of protection instead of repaired. Inadequate backflow prevention assemblies must be replaced immediately, even if the existing assembly still passes the annual test, if there is an imminent health risk as determined by the Company.
6. A non-residential connection that has a backflow prevention assembly installed to abate an internal backflow hazard, whether at the recommendation of the Company or

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as directed by a regulatory agency, must also install a backflow prevention assembly at the meter commensurate with the degree of hazard. The Company does not have any responsibility or authority to abate internal hazards or monitor testing of backflow prevention assemblies that are installed internal to a customer's premise.

7. At the discretion of the Company, approved, and properly installed backflow prevention assemblies located internally (past the point of connection) may be accepted as internal in-lieu of service protection. Approved in-lieu protection shall be tested and maintained in accordance with Subsection 4. Failure to test and maintain in-lieu protection will void application of this exception, requiring installation of backflow prevention at the point of water service.

8. For dedicated road median irrigation systems, PVBs and SVBs are acceptable as service protection only if they are properly installed.

9. All backflow prevention assemblies shall be protected from freezing with an enclosure or thermal blanket.

10. Fiberglass insulation that is not permanently encapsulated as part of an enclosure or thermal blanket shall not be used.

11. Enclosures must have adequate drainage to ensure the assembly cannot become submerged.

F. Periodic Testing of Backflow Prevention Assemblies

1. Whenever a backflow prevention assembly is installed, permanently relocated, or repaired, the customer shall have it tested by persons who are certified to test backflow prevention assemblies by the American Backflow Prevention Association or other certifying body meeting the established requirements of the Company. Certifying bodies may submit their program for review by the Company.

2. Backflow prevention assemblies shall be tested at least annually or more frequently if determined to be necessary by the health agency or the Company.

3. The Company shall notify the customer on record when testing of backflow prevention assemblies is needed.

4. The notice shall give the date by which the test must be completed. The notice shall also inform the customer that, following the compliance date, the Company may have all untested assemblies tested and, if needed, repaired or replaced.

5. The costs of all testing, repair, or replacement will be borne by the customer, and the Company may add such costs to the customer's water bill. In tenant-landlord situations, the Company shall not be responsible for determining the responsible party beyond notification of the customer of record.

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6. Reports of testing and maintenance shall be maintained by the Company for a minimum of three years.
7. Whenever a backflow prevention assembly is found to have failed, it must be repaired or replaced as soon as repair parts or a replacement assembly is available, but in no event later than the testing compliance date, or 20 days after testing, whichever comes first.
8. If the assembly cannot or will not be repaired within 3 days of discovery of the failure, the backflow prevention assembly tester must notify the Company of the failure.
9. In cases where the failed assembly presents an immediate risk to public health, the service will be discontinued until the repairs or replacement is completed.

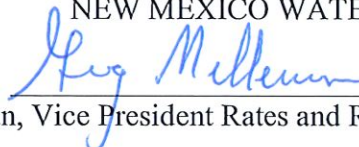
G. Refusal to Serve or Discontinuance of Service

1. The Company may refuse or discontinue service
 - a. Until there has been installed on the customer's piping an approved backflow prevention assembly of the required type, if one is required.
 - b. Where the Company has been denied access to the customer's premises to make an evaluation.
 - c. Where the customer refuses to test a backflow prevention assembly, or to repair or replace a faulty backflow prevention assembly.
 - d. Where there is a direct or indirect connection between the public water system and a sewer line.
 - e. Where there is an unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants.
 - f. Where there is an unprotected direct or indirect connection between the public water system and auxiliary water system.
 - g. When there is a situation which presents an immediate health hazard to the public water system.

H. Thermal Expansion

1. Prior to the installation of a backflow prevention assembly, it is the customer's responsibility to have a qualified plumber mitigate the effects of thermal expansion.
2. Failure to do so may create a dangerous condition resulting in damage and/or injury.

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I. Pumps and Boosters

1. When a customer receiving service at the Company's main or service connection must, by means of a pump of any kind, increase the pressure of the water received, the pump shall not be attached to any pipe directly connected to the Company's main or service pipe.
2. Such pumping or boosting of pressure shall be done at the option of the Company, either:
 - a. From a sump, cistern or storage tank which must be served through an air gap connection, or
 - b. From a combination of an approved backflow prevention assembly plus a device approved by the Company to prevent the booster pump from drawing the Company's system pressure below 20 psig.

J. Automatic Valves

1. Quick closing or opening valves shall not be installed on customer's pipes which are directly attached to the Company's mains or service pipes.
2. A customer whose operation requires the use of a quick opening or closing valve must operate such device from a tank, cistern, sump or other facility which may be served by but not directly connected with the Company's distribution mains or service pipes.
3. This restriction does not apply to quick closing or opening valves used in connection with normal household appliances such as automatic dishwashers or washing machines.

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