

RECEIVED

DEC 3 3 25 PM '02

**NEW MEXICO WATER SERVICE COMPANY - SEWER
ADVICE NOTICE**

NEW MEXICO
PUBLIC
REGULATION
COMMISSION

Page 1 of 1

Advice No. 3

Date: December 2, 2002

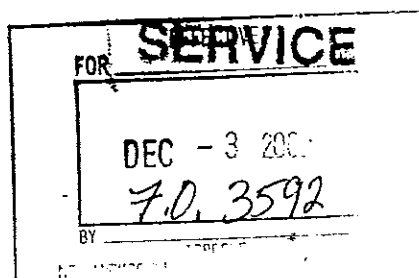
**NEW MEXICO PUBLIC REGULATION COMMISSION
OF THE STATE OF NEW MEXICO**

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
1	Preamble to Rules and Regulations	RGUC 1	July 1, 2002
2	Definitions and Explanations	RGUC 2	July 1, 2002
3	Character of Service	RGUC 3	July 1, 2002
4	Application for Service	RGUC 4	July 1, 2002
5	Rendering of Payment of Bills	RGUC 5	July 1, 2002
6	Security Deposits, Guarantees of Payment	RGUC 6	July 1, 2002
7	Disputed Bills	RGUC 7	July 1, 2002
8	Service (Lateral) Connection	RGUC 8	July 1, 2002
9	Discontinuance & Denying Restoration of Service	RGUC 9	July 1, 2002
10	Responsibility for Sewer Service Equipment	RGUC 10	July 1, 2002
11	Interruption of Service	RGUC 11	July 1, 2002
12	Rates and Optional Rates	RGUC 12	July 1, 2002
13	Acceptable Standards	RGUC 13	July 1, 2002
14	Company's Right to Ingress and Egress	RGUC 14	July 1, 2002
15	Unauthorized Connections	RGUC 15	July 1, 2002
16	Stoppage or Obstructions in Service	RGUC 16	July 1, 2002
17	Temporary and Special Service	RGUC 17	July 1, 2002
18	Metering	RGUC 18	July 1, 2002
19	Line Extension Policy	RGUC 19	July 1, 2002
20	Limitations and Restrictions - Sewer Service		July 1, 2002
21	Settlement Agreements	RGUC 20	July 1, 2002
22	Commission Complaint Procedures	RGUC 21	July 1, 2002
23	Estimated Bills	RGUC 22	July 1, 2002

Advice Notice No. 3
New Mexico Water Service Co.

Cynthia Geran
Cynthia Geran
Controller



**NEW MEXICO WATER SERVICE COMPANY – SEWER
TABLE OF CONTENTS
RULES & REGULATIONS**

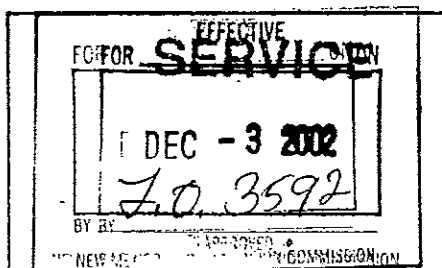
RECEIVED

Dec 3 3 13 PM '02

Page 1 of 1

NEW MEXICO
COMMISSION

RULE NO.	TITLE
1	Preamble to Rules and Regulations
2	Definitions and Explanations
3	Character of Service
4	Application for Service
5	Rendering of Payment of Bills
6	Security Deposits, Guarantees of Payment
7	Disputed Bills
8	Service (Lateral) Connection
9	Discontinuance & Denying Restoration of Service
10	Responsibility for Sewer Service Equipment
11	Interruption of Service
12	Rates and Optional Rates
13	Acceptable Standards
14	Company's Right to Ingress and Egress
15	Unauthorized Connections
16	Stoppage or Obstructions in Service
17	Temporary and Special Service
18	Metering
19	Line Extension Policy
20	Limitations and Restrictions – Sewer Service
21	Settlement Agreements
22	Commission Complaint Procedures
23	Estimated Bills



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER RECEIVED
ORIGINAL RULE NO. 1
PREAMBLE

Dec 3 3 25 PM '02

Page 1 of 1

NM PUBLIC
REGULATION
COMMISSION

These Rules and Regulations shall cover domestic sewer service furnished by New Mexico Water Service Company. These rules are intended to promote safe and adequate sewer 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 at 387E Rio Communities Blvd., Belen, NM 87002 or at the New Mexico Public Regulation Commission's offices in Santa Fe.

FOR SERVICE ON
DEC - 3 2002
7.0 3592
BY _____
APPROVED _____
REGULATION COMMISSION

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

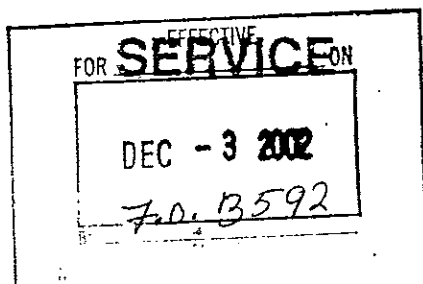
Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 2
DEFINITIONS AND EXPLANATIONS**

Page 1 of 2

RECEIVED
DEC 3 3 25 PM
NM WSC
REGISTRATION
CONNECTION

- A. COMPANY – New Mexico Water Service Company – Sewer.
- B. CUSTOMER – Any person, firm, association, corporation, or any agency of the federal state or local government, being supplied with, and/or responsible for payment for, sewer service by the Company.
- C. SEWER SERVICE – The general term for furnishing the customer with sewer service; also, the pipe connection from the Company's sewer main to the Customer's property line (also called LATERAL).
- D. CUSTOMER'S YARD LINE or CUSTOMER'S SEWER LINE – The piping owned and installed by or for the customer extending from the customer's property line to the customer's utilization location.
- E. 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 twelve (12) months before the date of the application for reconnection.
- F. CHRONICALLY DELINQUENT – The status of a customer who during the prior twelve (12) months has been disconnected by the Company for non-payment, or who during the prior twelve (12) months has not paid a bill by the date that a subsequent bill is rendered on three or more occasions.
- G. DELINQUENT – The status of a bill rendered to a customer for utility service which remains unpaid after the due date of the bill.
- H. SERVICE COMMENCEMENT POINT – The point of service commencement shall be the point where the facilities of the Company connect to the facilities furnished by the customer as provided herein.
- I. DISCONTINUANCE OF SERVICE – An intentional cessation of service by the Company not voluntarily requested by a customer.



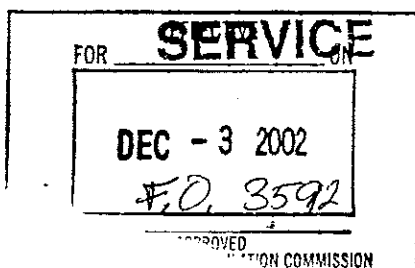
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 2
DEFINITIONS AND EXPLANATIONS**

Page 2 of 2

- J. **ESTIMATED BILL** – A bill for utility service which is based on estimate and not based on the actual measurement provided for in the applicable rate schedule.
- K. **RENDITION OF A BILL** – The date of mailing or personal delivery of a bill by the Company.
- L. **RESIDENTIAL SERVICE OR USE** – The provision of sewer service for household or domestic purposes.
- M. **SPECIAL SERVICE** – A service provided to a residential customer by the Company which is not subject to a tariff or rate schedule.
- N. **UTILITY CHARGES** – The billing or charges for the provision of utility service and other charges authorized by the Commission pursuant to approved tariffs.
- O. **MONTH or BILLING PERIOD** – The elapsed time between Company billings to its customers for sewer service, which elapsed time shall be approximately 30 days.
- P. **CUSTOMER LOCATION or CUSTOMER PREMISE(S) or CUSTOMER'S UTILIZATION LOCATION** – The customer's installation or structure for which sewer 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) or customer utilization location.
- Q. **POINT OF SERVICE** – The point of service shall be the point where the facilities of the Company connect to the facilities furnished by the customer as provided herein.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 3
CHARACTER OF SERVICE

Page 1 of 1

RECEIVED
DEC 3 3 25 PM '02
NEW MEXICO
WATER SERVICE
CO.

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

SERVICE	
FOR	ON
DEC - 3 2002	
F.A. 3592	
BY	APPROVED
NEW MEXICO PUBLIC REGULATION COMMISSION	

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 4
APPLICATION FOR SERVICE

Page 1 of 1

NEW MEXICO
REGULATION
COMMISSION

Dec 3 3 26 PM '02

RECEIVED

- A. All applicants for service may be required to sign:
- The Company's Standard Service Agreement; or
 - 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 sewer service will be used. Upon arrival of such application, the Company shall have reasonable time thereafter to provide sewer service.
- C. A reconnection fee shall be paid by an applicant for transfer of existing service or for service which has been involuntarily disconnected from any sewer 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's usage where circumstances warrant.

SERVICE

FOR _____

DEC - 3 2002

F.O. 3592

BY _____

APPROVED *

NEW MEXICO PUBLIC REGULATION COMMISSION

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 5
RENDERING AND PAYMENT OF BILLS

Page 1 of 1

NEW MEXICO
PUBLIC
REGULATION
COMMISSION

DEC 3 3 26 PM '02

RECEIVED

- A. The Company shall render a bill for sewer service to every customer for each billing period in accordance with the applicable rate schedules.
- B. Each separate customer sewer service (lateral) shall be metered and billed separately (See Rule No. 3.C.).
- 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.

FOR	SERVICE	ON
DEC - 3 2002		
FD 3592		
BY	APPROVED	
NEW MEXICO PUBLIC REGULATION COMMISSION		

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

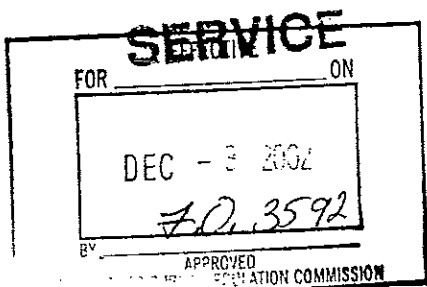
Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT

Page 1 of 3

RECEIVED
DEC 3 3 26 PM '02
NEW MEXICO
REGULATION
COMMISSION

- 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.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT**

Page 2 of 3

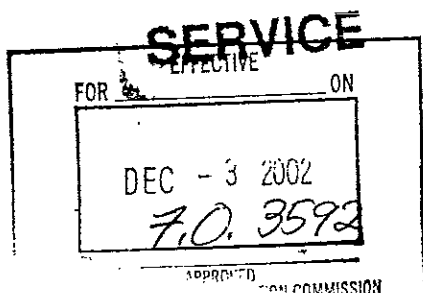
C. Refund of Deposits, Termination of Guarantees for Residential Customers.

- 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.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

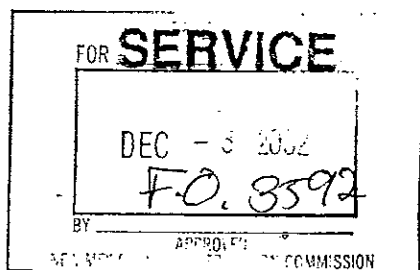
Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 6
SECURITY DEPOSITS, GUARANTEES OF PAYMENT**

Page 3 of 3

- 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.
 - v. 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. Unclaimed security deposits will be handled by the Company as provided by law.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 7
DISPUTED BILLS

Page 1 of 1

NEW MEXICO
PUBLIC
REGULATION
COMMISSION

Dec 3 3 26 PM '02

RECEIVED

- 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.
- B. In the event a customer disputes the amount of a bill for services 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.

FOR SERVICE
DEC - 1 2002
<u>40.3592</u>
BY _____
APPROVED
NEW MEXICO PUBLIC REGULATION COMMISSION

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 8
SERVICE (LATERAL) CONNECTION

Page 1 of 2

- Dec 3 3 28 PM '02
RECEIVED
NMA PUBLIC
REGISTRATION
COMMISSION
- A. The Company reserves the right to determine the point of sewer service for any customer's premises. The Company shall be called upon for exact information regarding the sewer service location before any piping on the customer's premises is started that may affect the service location. If such information is not provided, 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 (lateral) 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. A separate bill shall be rendered for each service line (lateral).
 - C. No more than one single-family residential unit shall be served from any single domestic sewer service (lateral). In the case of multiple dwelling units or condominiums, service shall, whenever possible, be rendered employing a single sewer service (lateral).
 - D. Company's service laterals shall terminate at the property line and it shall be the customer's responsibility and at the customer's expense to make the necessary piping connections from the Company's service lateral to the customer's yard line and to the customer's utilization location.
 - E. All materials used in the customer's yard line shall be as specified and approved by the Company.
 - F. The customer's yard line shall have a slope of at least two percent (2%) toward the Company's service (lateral) and shall be buried a minimum of three and one-half feet (3'-6") below ground surface at all points.
 - G. The customer's yard line and the connection between the customer's yard line and the Company's service (lateral) shall be subject to all required governmental inspections and to inspection by the Company. A fee will be charged for the inspection by the Company. The Company will be notified at least 24 hours in advance of the need for such inspection.

FOR	EFFECTIVE
SERVICE	
DEC - 3 2002	
F.D. 3592	
BY	APPROVED
	COMMISSION

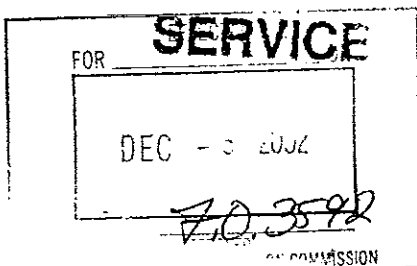
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 8
SERVICE (LATERAL) CONNECTION**

Page 2 of 2

- H. No connections between the Company's service (lateral) and the customer's yard line shall be completed and backfilled without the required Company inspection having been performed, approved, and signed by the Company inspector.
- I. Should any future dispute over the performance of the sewer piping which is the continuous run of piping made up of the Company's service (lateral) and the customer's yard line, it is the Company's policy that payment of any costs of inspection, excavation or repair of such run of piping shall be as follows:
- a. The customer shall, before any work is commenced, provide a cash deposit with the Company for the estimated cost of any such inspection, excavation or repair;
 - b. The Company will retain the deposit, require additional payment from the customer if the costs are greater than estimated, or pay the costs or its share of the costs and refund all or a portion of the deposit to the customer in accordance with the following (except in the special condition provided for in paragraph J, below);
 - i. If the cause of the performance problem is found to be within the Company's facilities including the Company's services (lateral), the costs will be paid by the Company;
 - ii. If the cause of the performance problem is found to be within the customer's yard line, the costs will be paid by the customer; and
 - iii. If the cause of the performance problem is found to be in both Company's and the customer's facilities, the costs will be shared between the Company and the customer.
- J. Should a backwater valve be required to be installed in a service (lateral) or customer's yard line by any governmental agency having appropriate jurisdiction, or otherwise be installed by the customer, such installation shall be at the customer's expense.
- K. Should any backwater valve installed as discussed in paragraph J, above, in a service (lateral) or customer's yard line fail to perform as intended or expected at any time, the Company is not liable for any costs or damages associated with or resulting from that failure.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

Page 1 of 6

RECEIVED
DEC 3 3 26 PM '88

- A. Customers who intend to move from the premises or discontinue the use of sewer service 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 sewer service that may be based upon the premises until such notice is given and the Company has determined a final billing. Upon receipt of such notice, the Company will determine a final bill 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 order 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 this rule.

FOR SERVICE
DEC - 1 1988
<i>F.O. 3592</i>
BY _____
APPROVED _____
TRD. COMMISSION

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

Page 2 of 6

- 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.
 - 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. If the Company is providing both water and sewer service, water service may be discontinued as a means of discontinuing sewer service as provided in this rule.
- H. 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 residential 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 proposed discontinuance is based.

SERVICE	
DEC - 3 2002	F.O. 3592
BY _____	APPROVED
NEW MEXICO PUBLIC REGULATION COMMISSION	

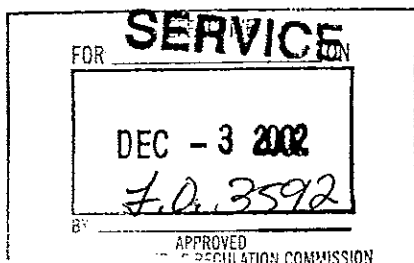
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

Page 3 of 6

- I. 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 sewer service point, residence or location, the Company may transfer any unpaid balance due to any other residential service account of the customer and proceed in accordance with Paragraph E.
 - c. The failure of the residential customer to pay for a different class of service received at the same or different location.
 - d. Non-payment of the disputed amount of a bill.
 - 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 a customer to pay the bill of another customer as guarantor thereof.
 - g. Failure of a customer to pay an estimated bill rendered in violation of rule 22.
- J. Any customer whose 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.
- K. 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.
 - b. The amount owed and the date by which the customer must either pay the amount due or make 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.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

Page 4 of 6

- c. A statement that if the customer pays the 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 Commission in accordance with NMPRC Rule 17 NMAC 1.2 if the residential 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 that discontinuance of service might endanger the person's life and the customer demonstrates to the designated Company personnel in writing, or 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 the accuracy of such charges are the subject of a 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.
- f. 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 the discontinuance for at least thirty (30) days and at the Company's option, the Company may 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, however, that should the circumstances on which certificate is based appear to have changed, the Company may require additional certification.
- g. A statement of the cost of reconnection.
- h. A statement "If you are a recipient of public assistance, contact your caseworker immediately."

SERVICE	
FOR	ON
DEC - 3 2002	
710.3592	
BY	APPROVED
NEW MEXICO PUBLIC REGULATION COMMISSION	

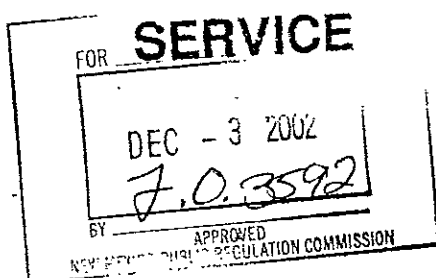
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

Page 5 of 6

- L. The Company shall take reasonable steps to communicate with a residential 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. J.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 the customer, acting upon such information or failing to act on such information in good faith, shall cause the Company and 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.
- M. The Company shall offer its customers a third party notification program and develop adequate procedures for notification to its customer 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 residential 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 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.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 9
DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

Page 6 of 6

- N. 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.
- O. 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.
- P. 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 Company personnel are available to restore such service upon payment during said holiday or weekend.

FOR	SERVICE
DEC - 3 2002	
F.O. 3592	
BY	APPROVED
NEW MEXICO PUBLIC REGULATION COMMISSION	

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 10
RESPONSIBILITY FOR SEWER SERVICE EQUIPMENT

Page 1 of 1

RECEIVED
FALL 2002
OCT 2002

Dec 3 3 26 PM '02

- A. Company's Responsibility. The Company does not assume any responsibility for the customer's yard line or for any customer's sewer 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 water meter.

SERVICE	
FOR	
DEC - 3 2002	
7.0.3592	
BY	
APPROVED	
NEW MEXICO PUBLIC REGULATION COMMISSION	

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 11
INTERRUPTION OF SERVICE

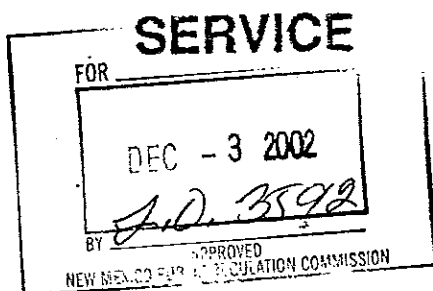
Page 1 of 1

Dec 3 3 26 PM '02

RECEIVED

NEW MEXICO
REGULATION
COMMISSION

- A. The Company agrees to use reasonable diligence in rendering continuous sewer service, but the Company does not guarantee uninterrupted of such service and shall not be liable for damages in case such service should be interrupted or fail by 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 processing or any cause beyond the control of the Company.
- B. The Company reserves the right to discontinue sewer 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 facilities. The Company will endeavor to give reasonable notice in advance of any planned interruption or reduction in service.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 12
RATES AND OPTIONAL RATES

Page 1 of 1

DEC 3 3 26 PM '02

RECEIVED

NEW MEXICO
PUBLIC REGULATION
COMMISSION

- A. The rates to be charged by and paid to the Company for all sewer 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.

FOR SERVICE
DEC - 3 2002
7.0.3592

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO.-13
ACCEPTABLE STANDARDS

Page 1 of 1

DEC 3 3 27 PM '02

RECEIVED

- A. The Company and the customer will adhere to all standards applicable to the sewer materials, construction, installation, operation, maintenance and service provided as established by any governmental agency having appropriate jurisdiction.

SERVICE	
FOR	ON
DEC - 3 2002	
2,0.3592	

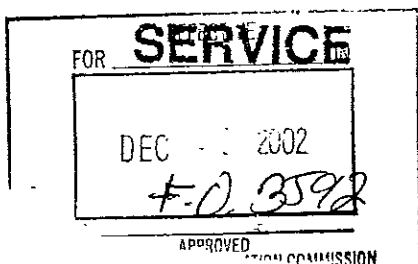
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 14
COMPANY'S RIGHT TO INGRESS TO AND EGRESS FROM CUSTOMER'S
PROPERTY

Page 1 of 1

- A. 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 sewer facilities 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 No. 9.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

RECEIVED
DEC 3 27 PM '02
NEW MEXICO
WATER SERVICE
COMPANY

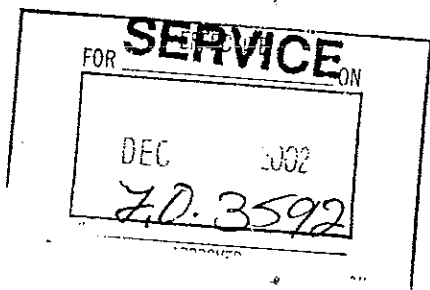
NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 15
UNAUTHORIZED CONNECTIONS

Page 1 of 1

NEW MEXICO
WATER SERVICE
COMPANY
UNAUTHORIZED
CONNECTIONS

RECEIVED
DEC 3 3 27 PM '02

- A. Sewer 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 customer facilities or facilities of others shall be connected to the existing service (lateral) nor shall service be piped from one residence, dwelling, or building to another residence, dwelling, or building without first obtaining written permission, authorization and/or statement of requirements from the Company.
- B. Sewer 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 service (lateral) is connected.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 16
STOPPAGE OR OBSTRUCTIONS OF SERVICE

Page 1 of 1

Dec 3 3 27 PM '02

RECEIVED

- A. The Company shall not be responsible for the stoppage or obstruction or breaks in facilities or lines of its customers.
- B. In the event of the stoppage of the water meter upon which the service bill is based, the customer may be rendered an estimated bill subject to the application of Rule 18 of the Company's water service rules and regulations, and Rule 22 herein.

FOR	SERVICE
DEC 3 2002	
7.0. 3592	
BY	
NEW MEXICO WATER SERVICE CO.	

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 17
TEMPORARY AND SPECIAL SERVICES

Page 1 of 1

- DEC 3 3 27 PM '02
RECEIVED
NEW MEXICO
PUBLIC REGULATION
COMMISSION
- A. Where sewer service (lateral) connections are available, temporary sewer service may be furnished under the Company's established rules, regulations and rates for the type of service desired; 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. 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.
 - C. Billing will be based upon the Company's best estimate of the volume of service required.

FOR	EFFECTIVE	ON
DEC - 3 2002		
20.3592		
BY	APPROVED	
NEW MEXICO PUBLIC REGULATION COMMISSION		

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 18
METERING

Page 1 of 1

Dec 3 3 27 PM '02

RECEIVED

NEW MEXICO
REGULATION
COMMISSION

- A. Any metering involving or applying water meters of the Company shall be in accordance with the appropriate water rules and regulations of the Company regarding any application of water metering to sewer billing, complaints, or any other matter.

SERVICE	
FOR	ON
DEC - 3 2002	
F. O. 3592	
BY	APPROVED

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 19
LINE EXTENSION POLICY

Page 1 of 3

DEC 3 3 27 PM '02

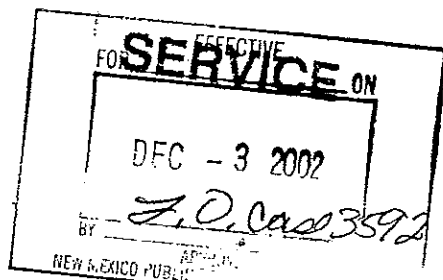
RECEIVED

NEW MEXICO
WATER SERVICE
COMPANY

NEW SEWER SERVICE

When an extension of the Company's sewer facilities is required to serve an individual application or a group of applicants or a commercial enterprise or residential subdivision, with the understanding that reasonably consistent applications will be expected from customer's within such groups, extension of sewer facilities shall be made under the following terms and conditions:

1. All sewer facility extensions shall be sized to provide adequate domestic service.
2. Investments in the sewer facility 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 in Aid of 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 not unduly discriminatory increase in rates for service for existing customers.
4. All sewer lines, facilities and equipment shall, to the greatest extent possible, be installed in existing public roads, alleys, rights of way or easements. The applicant shall furnish such rights of way and easements as are additionally required without charge to the Company. The applicant will also assist the Company in securing easements or rights of way at no charge to the Company. All costs related thereto shall be paid by the applicant and shall not be subject to refund.
5. When the applicant is an individual single family residence, or an individual residential structure that will house up to but no more than four single family dwelling units, the following will apply if and when an Advance in Aid of Construction is involved:
 - a. Advances in Aid of Construction may be refunded to the original applicant as follows:
 - i. The estimated annual revenue for actual usage will be determined using the applicable rates currently in effect.
 - ii. The refund to the original customer shall be no greater than three (3) times the estimated annual revenue determined above if no new customers connect to the original extension during the ten (10) years following the date of the extension agreement.



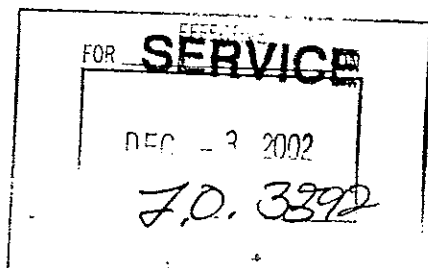
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 19
LINE EXTENSION POLICY**

Page 2 of 3

- iii. For each new customer connected to the original extension during that ten (10) year period, a refund of no greater than three (3) times the estimated annual revenue for that new customer will be made if a refund is not provided under Paragraph b, below.
 - iv. In no event may refunds to a customer total more than the Advance in Aid of Construction.
 - v. Up to ten (10) years after the original request for extension, the remaining Advance in Aid of Construction shall become a Contribution in Aid of Construction and will be no longer subject to refund.
- b. Advances in Aid of Construction may also be refunded on the following basis:
- i. The pro rata cost of a sewer facility 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 sewer service is requested to any such parcel. The pro rata cost of facilities installed along each abutting or benefited property may be computed on 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 sewer facility 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 sewer service is connected to each abutting or benefited property for up to ten (10) years from the date of the original extension agreement.
 - iii. When a request for sewer service to any such abutting property is received by the Company, the pro rata cost originally computed and recorded as applicable to that property may be billed to and paid by the party when requesting service before sewer service will be provided to the abutting or benefited property. This amount may then be refunded to the original applicant if the customer still exists as such and if it is within ten (10) years of the date of the original line extension agreement.
 - iv. Refunds made under this provision shall not exceed the original Advance in Aid of Construction less that portion needed to serve the original applicant.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

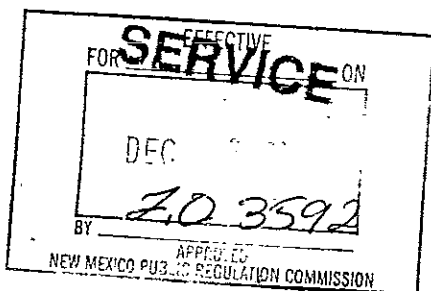
Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 19
LINE EXTENSION POLICY**

Page 3 of 3

6. Parties requesting subsequent connections or extensions to facilities 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 facilities and appurtenances sized to serve the new applicant with adequate service. Total collections by the Company under this provision shall not exceed the total cost of the facilities.

7. In the instance of residential subdivisions, commercial enterprises, or where special circumstances warrant in the case of residential extensions of sewer facilities otherwise includable under Paragraph 5, extension of facilities 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 sewer facility extension contracts shall be filed with the New Mexico Public Regulation Commission. Any special or unusual conditions which affect the cost of furnishing the required sewer service, such as elevation, terrain, construction conditions, existing system capacity or any other conditions which would result in increased cost to the Company should be included in the cost of all sewer facility extensions. Such special contracts shall be entered into with residential customers otherwise includable under Paragraph 5 when the cost of such extensions include such special or unusual conditions.



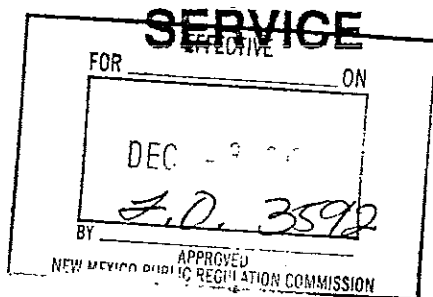
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 20
LIMITATIONS AND RESTRICTIONS - SEWER SERVICE

Page 1 of 1

- RECEIVED
DEC 3 3 27 PM '00
NM WSC
FROM
COM. DIVISION
- A. Before undertaking anything which will inject unusually large quantities of effluent or effluent of unusual chemical composition, the customer shall consult the Company for its approval of such additional service and for the terms and conditions under which the effluent will be transported and treated for 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 injection of excessive quantities of effluent which exceed or strain the capacity of the Company to transport and/or treat effluent for all customers. Noncompliance with this rule by any customer shall constitute grounds for discontinuing service in accordance with Rule 9.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

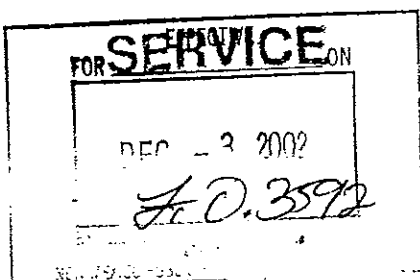
Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 21
SETTLEMENT AGREEMENTS

Page 1 of 2

RECEIVED
DEC 3 3 27 PM '02
NEW MEXICO
WATER SERVICE
COMMISSION

- 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.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 21
SETTLEMENT AGREEMENTS

Page 2 of 2

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.

FOR	SERVICE	ON
DEC - 3 2002		
7.0.3592		
BY	APPROVED	
NEW MEXICO PUBLIC REGULATION COMMISSION		

ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY - SEWER
ORIGINAL RULE NO. 22
COMMISSION COMPLAINT PROCEDURES

Page 1 of 2

RECEIVED
NEW MEXICO
WATER SERVICE
COMMISSION

Dec 3 3 27 PM

RECEIVED

- 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.

FOR	SERVICE	ON
DEC - 3 2002		
4.0.3592		
BY	APPROVED	
REGULATION COMMISSION		

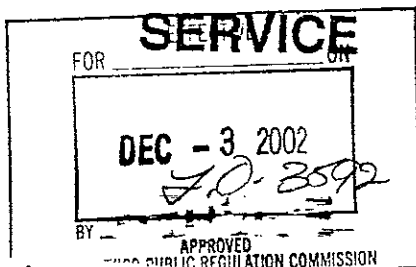
ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller

**NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 22
COMMISSION COMPLAINT PROCEDURES**

Page 2 of 2

- 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.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

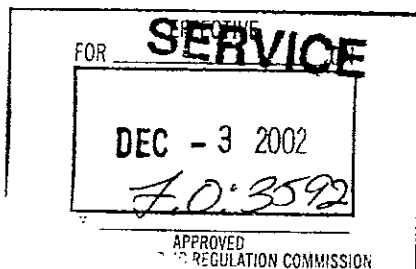
Cynthia Geran
Cynthia Geran, Controller

NEW MEXICO WATER SERVICE COMPANY – SEWER
ORIGINAL RULE NO. 23
ESTIMATED BILLS

Page 1 of 1

RECEIVED
DEC 3 3 27 PM '02
NEW MEXICO
REGULATION
COMMISSION

- 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 customer's water meter (as required under the applicable sewer rate schedule) 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; or (3) weather conditions prohibit meter reading or where force majeure conditions exist. If the utility is unable to obtain actual water meter readings for these reasons, it shall attempt to contact the customer and attempt to obtain access to the premises or it shall undertake 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, because of the reliance in sewer rate schedules on certain winter month water meter readings, apply an estimated bill for an entire calendar year if the above conditions are met regarding the inability to obtain the necessary water meter readings.
- C. The Company may, at its discretion, base its estimate upon either a current estimate of the appropriate winter month water usage, or on the prior years appropriate winter month's water meter readings.



ADVICE NOTICE NO. 3
NEW MEXICO WATER SERVICE CO.

Cynthia Geran
Cynthia Geran, Controller