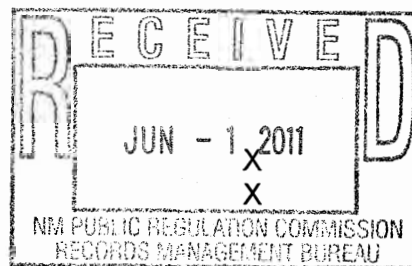


**EL PASO ELECTRIC COMPANY
THIRD REVISED RULE NO. 7
CANCELING SECOND REVISED RULE NO. 7**

DISCONTINUANCE AND RESTORATION OF SERVICE



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Discontinuance of Service: X

A. The Company may discontinue utility service to a customer without prior notice pursuant to 17.5.410.31 NMAC in the event of: X

- 1. A condition determined by the Company to be hazardous. X
- 2. Customer use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others. X
- 3. Customer's tampering with, damaging, or deliberately destroying the equipment furnished and owned by the Company. X
- 4. Unauthorized use of the service provided by the Company. X

B. The Company may discontinue utility service to a customer pursuant to 17.5.410.31 NMAC for: X

- 1. Nonpayment of a delinquent account pursuant to 17.5.410.33 NMAC. X
- 2. Failure to post a security deposit or guarantee pursuant to 17.5.410.33 NMAC, as applicable. X
- 3. Failure to comply with the terms and conditions of a settlement agreement, or an installment agreement entered into pursuant to 17.5.410.40 NMAC and 17.5.410.41 NMAC. X

C. Other than as provided for in Paragraph A and B above, and after three (3) days prior written notice, pursuant to 17.5.410.31 the Company may discontinue utility service to a customer for: X

- 1. 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.
- 2. 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been specified by the Company as a condition to obtaining service, or in the event such equipment or permissions are withdrawn or terminated.

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BY Rule No. 17.1.210

Advice Notice No. 221

Signature/Title David G. Carpenter
David G. Carpenter
Senior Vice President-Chief Financial Officer

EL PASO ELECTRIC COMPANY
THIRD REVISED RULE NO. 7
CANCELING SECOND REVISED RULE NO. 7

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DISCONTINUANCE AND RESTORATION OF SERVICE

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- 3. Violation of and/or noncompliance with the Company's rules on file with and approved by the regulatory commission. X
- 4. Failure of the customer to fulfill contractual obligations for utility service and/or facilities other than settlement agreements. X
- 5. Provision of a fraudulent medical certification form or financial certification form. X
- D. The three (3) day notice required pursuant to 17.5.410.31 NMAC shall be in English and Spanish and will include the following: X
X
 - 1. A statement of the reason(s) why the Company has issued notice to discontinue utility service pursuant to Subsection C of 17.5.41.31 NMAC. X
 - 2. The title(s), address, telephone number(s) and working hours of the personnel at the Company responsible for carrying out the rights prescribed in 17.5.410 NMAC. X
X
 - 3. A statement that the residential customer can obtain a review by Company personnel 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 New Mexico Public Regulation Commission if the residential customer disagrees with the Company's determination of the facts on which the proposed discontinuance is based. X
X
 - 4. A statement that members of New Mexico tribes or pueblos who need help with translation or with other matters may contact the Commission's consumer relations division at (888) 427-5772, who will contact the appropriate tribal or pueblo official for assistance. X
X
X
X

Prohibitions on Discontinuance of Service:

The Company will not discontinue electric service for:

- A. The failure of a customer to pay for special services. X
- B. The failure of a residential customer to pay for service received at a separate metering point, residence or location. However, in the event of discontinuance or termination of service at a separate residential metering point, residence or location, the Company may transfer any unpaid balance due to any other residential service account of the residential customer and proceed in accordance with Subsection B of 17.5.410.31 NMAC. X
X

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- C. The failure of the residential 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 purposes of billing the usage of specific devices under optional rate tariffs or provisions is not construed as a different class of service. X
- D. Nonpayment of the disputed amount of a bill, as provided by 17.5.410.36 NMAC. X
- 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 residential customer to pay the bill of another residential customer as guarantor thereof unless the guarantor has executed an agreement in writing as a condition precedent to service. X
- G. Failure of a residential customer to pay an estimated bill rendered in violation of 17.5.410.15 NMAC. X
- H. Failure of a residential customer to pay for service received during the heating season if the residential customer qualifies for winter moratorium protection. X
X
- I. Failure of a residential customer to pay for service received if the Company has received a signed medical certification form and a financial certification form pursuant to 17.5.410.41 NMAC. X
X
X

Requirements Prior to Discontinuance of Service:

- A. At least fifteen (15) days before the Company proposes to discontinue service to a residential customer, the Company will provide written notice to the residential customer stating its intent to discontinue service and setting forth the residential customer's rights relating discontinuance of service, budget payment plans and installment agreements. The notice will be in English and Spanish. The notice will be delivered to the residential customer in person, by U.S. Mail postage prepaid, addressed to the residential customer at the last address for the residential customer known to the Company, or by electronic mail if a residential customer has elected to receive electronic billing. The fifteen-day notice shall contain: X
X
X
X
X
X
X
X
- 1. The title(s), address, telephone number(s) and working hours of the Company personnel responsible for administering the procedures in 17.5.410.33 NMAC. X
X

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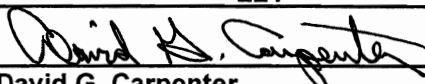
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DISCONTINUANCE AND RESTORATION OF SERVICE

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2. The following statements: "If the past due balance on your account has been paid, please disregard this notice", and "To avoid disconnection, we must receive your past due balance of (\$___) no later than (month/day/year), or payment arrangements must be made. Please see the enclosed notice for more information." X
X
X
X
X

X

3. A statement in both English and Spanish of the "Customer's Rights and Responsibilities" set forth in 17.5.410.42 NMAC. X
X
X

4. At a minimum, during the heating season, the Company will notify its residential customers, who have not been previously qualified for protection under the provisions of the winter moratorium, of their rights pursuant to 17.5.410.30 NMAC. X
X
X
X

The 15-day notice will include specific notice that the Company will not discontinue utility service if the residential customer provides the Company with either of the following: X
X
X

a. Documentation for winter moratorium protection pursuant to 17.5.410.30 NMAC. X
X
b. Valid medical and financial certification forms pursuant to 17.5.410.43 NMAC. X
X

X

X

X

X

X

B. Final Notice. The Company will communicate with a residential customer by telephone, U.S. Mail postage prepaid if delivery to the residential service address can be verified, or personal contact at least two (2) days prior to the specific date of discontinuance of service to: X
X
X
X

1. Remind the residential customer of the pending date of discontinuance of X

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DISCONTINUANCE AND RESTORATION OF SERVICE

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- service. X
2. Advise the residential customer again of the potential availability of financial assistance for utility service payments. X
 3. Obtain payment of delinquent accounts. X
 4. During the heating season, provide a reminder of the protection under the moratorium. X

The Company will have up to five (5) business days from the specific date to perform the disconnection of services or the Company will reissue a final notice. X
X

The Company employee personally contacting a residential customer and the Company employee sent to discontinue utility services shall note any information from the residential customer that a person living in the residential customer's residence is seriously or chronically ill. Such information shall be immediately reported to a Company employee authorized to prevent discontinuance. That employee shall either delay the discontinuance order if it is apparent that the forms provided for in this rule will be received, or shall state in writing why discontinuance of service will not be delayed. X
X
X
X
X
X
X
X

The Company and Company employee shall be held harmless for errors made in good faith in noting, acting upon, or failing to act upon the information provided to the residential customer. X
X
X

The Company employee sent to discontinue utility service may be empowered to receive payment of delinquent bills, and upon receipt of an approved payment method, shall cancel the discontinuance order. X
X
X

The Company is not required to delay discontinuance of service pursuant to Subsection B of 17.5.410 NMAC for more than two (2) times within a twelve-month period. X
X
X

The Company may use reasonable means to verify the accuracy of information on a medical or financial certification form. X
X
X

The Company will not issue a final notice of discontinuance of service to a residential customer when the Company has received notice that actual termination is prohibited by law. X
X

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BY RIO NO. 17.1.210

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DISCONTINUANCE AND RESTORATION OF SERVICE

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- C. The Company will offer its residential customers a third-party notification program and will notify residential customers that such program is available. The Company shall extend the third-party notification program to those residential customers who notify the Company in writing of their desire to participate in the program and designate a specific person, organization, or governmental agency that is ready, willing and able to assist the residential customer in the payment of utility bills. Upon receipt of such notice from a residential customer, the Company will not discontinue service to a participating residential 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 with payment of the residential customer's past due charge within a reasonable period of time.
- D. When a residential customer has indicated to the Company an inability to pay utility charges and has not been chronically delinquent, the Company will attempt to arrange an installment plan for the payment of past due utility charges. While an installment payment plan is being negotiated, the Company will not discontinue service to such residence.
- E. The Company will provide a procedure for reviewing residential 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 residential customers, shall not be conducted by the credit department of the Company and the reviewing employee shall have authority to order appropriate corrective action. Such review shall stay the discontinuance of Company service until the review is completed.
- F. Service to a residential customer will be discontinued only during the hours from 7:30 a.m. to 4:00 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 service during the holiday or weekend once payment is received.

Emergency Discontinuance of Service:

Notwithstanding any other provisions of 17.5.410 NMAC, the Company may temporarily and without notice discontinue residential service for reasons of operation, maintenance, X

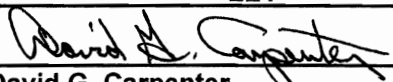
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health, safety or a state of emergency.

Restoration of Service:

Upon the residential customer's request, the Company shall restore service promptly when the cause for discontinuance of service has been eliminated, applicable restoration or reconnection charges paid, and, if required, satisfactory payment arrangements have been made. At all times, a reasonable effort shall be made to restore service on the day restoration is requested, and in any event, restoration shall be made no later than the next working day following the day on which the cause for discontinuance of service has been eliminated. In the event a medical certificate and financial certification contemplated by paragraph (6) of Subsection C of 17.5.410.42 NMAC is received, service shall be reestablished within twelve (12) hours of receipt.

Notice of Availability of Energy Assistance and Winter Moratorium Protection: X

A. The Company will make available to the public information regarding LIHEAP application forms, qualification requirements, application procedures, and locations at which residential customers may submit LIHEAP applications. X
X
X

B. The Company will make available to the public information regarding winter moratorium protection against discontinued and disconnected service for residential customers who meet the qualifications of LIHEAP, including an explanation of payment options and circumstances under which services may be disconnected or discontinued. X
X
X
X
X

C. Beginning with the August billing cycle and prior to the next heating season, the Company will communicate in writing to all residential customers at least two times the following statement on either a bill, in a bill insert or through a direct mailing, the following statement: X
X
X
X

"Protection from winter shut-off begins November 15, (year). To avoid potential disconnection of services please contact the Human Services Department at 800-283-4465, or the appropriate tribal or pueblo entity for eligibility information for Low Income Heating Energy Assistance Program (LIHEAP). Your service will not be disconnected from November 15, (year), through March 15, (year), if you meet the qualifications of LIHEAP and have no past due amounts or you remain current on any settlement or installment agreement for amounts due as of November 15, (year). Members of New Mexico tribes or pueblos who need help with translation or with other matters may contact the commission's consumer relations division at (888) 427-5772, who will contact the appropriate tribal or pueblo official for assistance." X
X
X
X
X
X
X
X
X
X
X

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DISCONTINUANCE AND RESTORATION OF SERVICE

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Where it is technically feasible, the foregoing notice language will be written in both English and Spanish. If not feasible the following statement will be included: "Para informacion en espanol llame 1-575-526-5555." X
X
X

D. Beginning with the February billing cycle the Company will communicate in writing to all residential customers at least one time the following statement on either a bill, in a bill insert or through a direct mailing: X
X
X

"Protection from winter shut-off ends March 15, (year). To avoid potential disconnection of services please contact El Paso Electric at 1-575-526-5555 to make arrangements for payment. Members of New Mexico tribes or pueblos who need help with translation or with other matters may contact the commission's consumer relations division at (888) 427-5772, who will contact the appropriate tribal or pueblo official for assistance." X
X
X
X
X
X

Where it is technically feasible, the foregoing notice language will be written in both English and Spanish. If not feasible the following statement will be included: "Para informacion en espanol llame 1-575-526-5555." X
X
X

D. During the heating season, the Company will include the following statements in both English and Spanish in all 15-Day Disconnect Notices issued pursuant to 17.5.410.29 NMAC: X
X
X

"15-Day Disconnect Notice for Services;" X

"Your service will not be disconnected from November 15, (year), through March 15, (year), if you meet the qualifications of the Low Income Home Energy Assistance Program (LIHEAP) and have no past due amounts, or you remain current on any settlement or installment agreement for amounts due as of November 15, (year). For information call the New Mexico Human Services Department at 1-800-283-4465, or the tribal or pueblo entity that administers a tribe's or pueblo's LIHEAP." X
X
X
X
X
X
X
X

Winter Moratorium Protections: X

A. Unless requested by the residential customer, the Company will not discontinue or disconnect service to a residential customer during heating season for nonpayment of the residential customer's utility bill if: X
X
X

(1) The Company receives notice that the residential customer meets the qualifications of LIHEAP as determined by the administering authority for the X
X

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DISCONTINUANCE AND RESTORATION OF SERVICE

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- current heating season; and X
 - (2) The residential customer has no past due charges on November 15 of the current heating season; or X
 - (3) The residential customer has a settlement agreement or an installment agreement with the Company for amounts other than those owing from the prior heating season; and X
 - (4) The residential customer continues to make the agreed-upon payments under the settlement or installment agreement. X
- B. At any time during the current heating season, a residential customer may become eligible for winter moratorium protection from discontinuance or disconnection of service if a notice issued by the administering authority is provided to the Company that the customer meets the qualifications of LIHEAP and the residential customer either pays the amount due as of November 15 or enters into a settlement or installment agreement for such past-due amounts and continues to make the agreed-upon payments under the settlement or installment agreement. X
- C. Any residential customer that has had services disconnected or discontinued during the current winter heating season for whom the Company receives, subsequent to the disconnection or discontinuance of service, a proof of qualification issued by the administering authority and has met the payment requirements of subsection A of 17.5.410.30 NMAC, shall have service reconnected as soon as reasonable but not later than the next working day if otherwise qualified for protection. Immediate payment of a reconnection fee, if any, shall not be a prerequisite to such reconnection. X
- D. The Company shall make installment agreement options available to any residential customer that has an unpaid bill pursuant to the regulations of the Commission. X
- E. A residential customer who has defaulted on the residential customer's chosen installment agreement and whose utility service has been discontinued or disconnected during the non-heating season shall be reconnected and maintain the protection afforded by this section by paying reconnection charges if any, and by paying the amount due pursuant to the installment agreement by the date on which service is reconnected. X

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