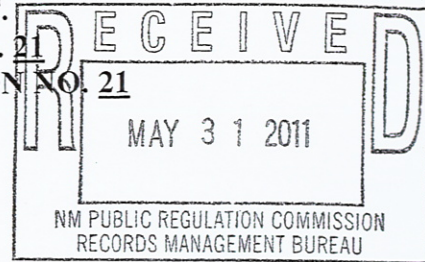


**CENTRAL VALLEY ELECTRIC COOPERATIVE, INC.
SECOND REVISED RULES AND REGULATIONS NO. 21
CANCELLING FIRST REVISED RULES AND REGULATION NO. 21**



BUDGET PAYMENT PLAN
Application – Residential Customers
'X'- Majority of R & R No. 21 has changed

I. GENERAL:

Central Valley Electric Cooperative, Inc. (CVEC) recognizes that sudden increases in fuel costs and climatic conditions can place undue burdens on its residential consumers. To alleviate the high bill, which can occur, and to provide a medium whereby the residential consumer may spread electric costs more evenly, CVEC will offer a Budget Payment Plan (BPP). Such plan will be in full conformance with 17.5.410.11 NMAC and approved by the New Mexico Public Regulation Commission.

II. OBJECTIVE:

The BPP shall provide the residential consumer with a method of levelizing the bill for utility service. It shall be CVEC's intent to design BPP's to avoid the accumulation of an unpaid balance, which would be burdensome to pay in a single payment.

III. AVAILABILITY:

The BPP shall be available to any residential consumer who is:

- A. Current in payments, and/or
- B. Complying with a Settlement Agreement or an Installment Agreement
- C. The BPP shall be available for consumers to enter into at any time of the year, without regard to the residential customer's length of service with CVEC.

IV. WITHDRAWAL:

Withdrawal from the BPP will be affected by the following:

- A. At the consumer's request after the total bill is current.

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BY Rule no. 17.1. 210

Advice Notice No. 46

Signature *Charles T. Amos Jr.*
Executive Vice-President

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- B. A chronically delinquent consumer's failure to pay the amount specified in the BPP. Such action will cause the plan to be withheld to such chronically delinquent consumer for up to twelve (12) succeeding months.

V. COMPUTATION:

The amount to be paid under the BPP shall be specific to each residential consumer and shall be computed in the following manner:

- A. If the residential customer has been served by CVEC at the same location for the previous year, the budgeted payment shall be based on the residential customer's actual use for the previous year, and calculated as follows:
 1. Total previous 12-month energy (kwh) history summarized and increased by 5% to account for unforeseen conditions.
 2. The applicable rate on file with the NMPRC will be applied to the energy from (1) above.
 3. The energy from (1) will then be multiplied by the current Fuel and Purchased Power Cost Adjustment Clause factor used in the most recent month's billing calculation. This FPPCAC is an average factor calculated by an approved variance from NMPRC.
 4. The budget payment amount per month for the upcoming twelve (12) months will be (2) plus (3) above divided by twelve (12), plus the applicable tax rounded to the nearest five (5) dollars.

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Signature *Charles T. Lawson Jr*
Executive Vice-President

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- B. For the residential consumer who does not have a prior history at the same location:
 - 1. The computation process described in (A) above will be based upon the previous energy history of the residence, if available.
 - 2. If previous energy history is not available, the computation process described in (A) above shall be made considering similar residential consumers, i.e., similar appliances, household size and other utility needs.

- C. At the end of the 12-month period of the BPP, resulting credits or arrearages will be handled in one of the following manners:
 - 1. The residential consumer may elect to renew the BPP, at which time the budget payment will be calculated using the computation process described in (A) above. Any resulting credits or arrearages from the prior BPP will be added or subtracted in step (A.4) and spread equally among the payments within the upcoming BPP.
 - 2. The residential consumer may zero the balance by receiving the credit or paying the arrearage due within the twelfth and final payment of the BPP.

- D. Notwithstanding the above, the computation shall be adjusted to normalize the usage for known unusual or extraordinary conditions.

- E. The residential consumer may request to have a draft drawn for the budgeted amount.

VI. BILLING:

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Signature *Charles T. Linnon Jr.*
Executive Vice-President

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Consumer accounts on the BPP will reflect the following within the contents of their bill:

- A. The actual charges for service incurred for the current billing period,
- B. The budgeted amount due, and
- C. The amount of credit or arrearage.

The residential consumer may at any time pay the total current amount due.

VII. AGREEMENT:

The agreement between the residential consumer and CVEC shall be in writing and a copy furnished to the consumer along with a copy of this procedure.

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BY Rule no. 17.1.210

Advice Notice No. 46

Signature *Charles T. Linnick Jr.*
Executive Vice-President