

ENERGY ASSISTANCE PROGRAMS

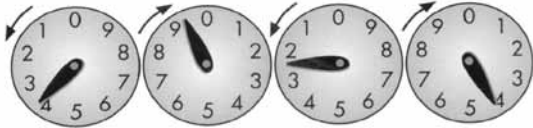
The New Mexico Human Services Department offers the Low-Income Home Energy Assistance Program to help low income families pay their heating bills. In Hobbs, the office is located at 2120 North Alto, Suite D, (575)397-3400. In Lincoln County, the office is located at 26387 Highway 70, (575)378-1762, and in Dona Ana County, the main office is located at 655 Utah Ave., (575)524-6500.

WINTER MORATORIUM PROTECTIONS

Your service will not be disconnected from November 15 through March 15 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 payment agreement for past due amounts as of November 15. For more information, call the Human Services Departments listed above or the tribe or pueblo entity that administers a tribe's or pueblo's LIHEAP.

HOW TO READ YOUR METER

On your gas meter, refer to the four large dials. Read the dials from left to right, and write down the lowest number the hand of each dial has passed. That gives you the current reading on your meter. To determine how much gas you've used, subtract the previous month's reading, shown on your bill, from the current reading



If you have any questions about your natural gas service, please call or visit your local office. We're here to help you.

For the Lincoln County Area:

100 Short Drive
Ruidoso Downs, New Mexico 88346
575-378-4277
800-520-4277

For the Hobbs and Jal Areas:

510 E. Bender
Hobbs, New Mexico 88240
575-392-4277
800-470-9900

For the Maxwell, Springer and Raton Areas:

Maxwell Village Hall
316 Maxwell Avenue
Maxwell, New Mexico 87728
575-375-2277

For the Cimarron Area:

Blue Moon Eclectics
333 Ninth Street
Cimarron, New Mexico 87714
575-376-9040

For the Dona Ana County and Hatch Area:

3700 W. Picacho Ave.
Las Cruces, NM 88007
575-526-4427
800-453-5546



ZIA NATURAL GAS COMPANY

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CUSTOMER SERVICE GUIDE

Zia Natural Gas Company is committed to providing reliable and economical natural gas service to all its customers. This Customer Service Guide is provided to you as a summary of the terms and conditions of service Zia is required to maintain under state regulation. A complete copy of Zia's Rates, Rules and Forms is available for your review in each of our district offices. If you have any questions about your natural gas service, please call or visit your local district office.



NEW MEXICO'S NATURAL CHOICE....
ZIA NATURAL GAS COMPANY

APPLYING FOR SERVICE

All customers are required to fill out an Application Form and bring it or send it by fax to the local office. A customer who owns or is purchasing a home, or is currently employed full-time and has been for a year, or can provide a credit reference from another utility will not be required to pay a security deposit. Security deposits will be required for a customer who has not previously had utility service and who has not established an acceptable credit rating, for a customer who has been delinquent in payments three or more times in one year ("Chronically Delinquent"), or as a condition for reconnection of service following discontinuance of service by the company, and for any customer who is renting or leasing a home or apartment, unless that customer has previously been a Zia customer. A deposit for a residential 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 (1 & 1/2) times that customer's estimated maximum monthly bill at that premises or if there is not a comparable period of service at that premises, then the deposit shall be one and one-half (1 & 1/2) times the maximum consumption of similar customers in the same area.

BILLING PROCEDURES

A. Your Natural Gas Bill

Your natural gas bill includes the following charges, based upon the amount of usage:

1. Cost of gas - this is the cost for the gas supply purchased by Zia for delivery to its customers. Zia purchases its gas supply on a contract based on market costs. Zia does not mark-up this cost, and it is subject to state review and approval.
2. Distribution and Transmission charges: these are the costs for operating and maintaining Zia's transmission and distribution systems, including the pipelines, meters, and regulators and all equipment and personnel necessary to provide your service.

Your bill will also include a monthly Base Charge that is incurred regardless of whether you use any gas. This is a customer access fee, associated with meter reading, administrative and accounting operations, and other customer service operations.

The Distribution, Transmission and Base Charges are reviewed and approved by the state regulatory commission, and cannot be changed without a general rate case. Your bill will also reflect the local sales tax and in some areas, a franchise fee, which is paid by Zia to the city or county for use of public rights-of-way in providing your natural gas service.

Your bill is due when you receive it, and if not paid, after twenty (20) calendar days from the mailing date, it is considered Delinquent. A late charge of 0.67% will be imposed on Delinquent balances.

A residential budget payment plan is available which will

provide for eleven (11) equal monthly payments, with the twelfth month adjusted up or down to balance either the deficit or surplus paid for the total twelve (12) month period of use of gas. The budget payment plan is available to a residential customer who is current in payments for gas service or who has entered into and is complying with a Payment Agreement. Should a budget payment plan customer become Chronically Delinquent, the Company may remove such customer account from the budget payment plan.

B. Estimated Bills

Zia will send an estimated bill only if we are unable to obtain access to your meter or a meter is defective or has been evidently tampered with or bypassed, or weather conditions prohibit meter reading. Bills can only be based on estimated usage for no more than two (2) consecutive billing periods. We will attempt to contact you to alleviate the conditions preventing us from reading your meter. If we underestimate your usage and then correct your bill, you can participate in an installment payment plan with regard to the underestimated amount.

C. Disputed Bills

If you believe your bill is inaccurate, you must advise the Company that utility charges are in dispute by written notice, by telephone, or in person; provided that if notice is provided by telephone or in person, then you need to give us written notice of the dispute within five (5) days from the date of telephone or personal contact. The undisputed amount must still be paid when due. We will attempt to promptly resolve any dispute as quickly as possible, by working with you first through our clerks, then our district manager and our manager of regulatory affairs. If the dispute cannot be resolved, then you may file a complaint with the state regulatory commission. Zia's Rule No. 13 provides more detailed information about disputed bills.

DISCONTINUANCE OF NATURAL GAS SERVICE

For our customer's protection, any customer desiring discontinuance of their natural gas service account must give notice to us in writing at the local office. We also sometimes interrupt service for a reasonable period for repairs or maintenance of our system; when this happens, we will make every effort to notify you and assist in relighting appliances.

The Company may discontinue service without prior notice:

1. In the event of a condition determined to be hazardous.
2. If your use of equipment adversely affects the Company's equipment or service to others.
3. If you tamper with, damage, or deliberately destroy the equipment furnished and owned by the Company.
4. In the event of unauthorized use of service.
5. In an emergency.

Service can be discontinued with three (3) days notice under the following conditions:

1. Refusal to grant access to equipment 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 permission is withdrawn or terminated.
3. Violation of and/or non-compliance with the Company's rules on file with and approved by the state regulatory commission.
4. Failure to fulfill contractual obligations for utility service and/or facilities other than Payment Agreements.

Service may be discontinued after seven (7) days written notice for:

1. Failure to comply with the terms and conditions of a Payment Agreement.

Service may be discontinued after fifteen (15) days written notice for:

1. Non-payment of a delinquent account.
2. Failure to post a required security deposit or guarantee.

The Company will not discontinue service for:

1. Failure to pay for special services.
2. Failure to pay for service received at a separate service point, residence or location.
3. Failure to pay for a different class of service received at the same or different location.
4. Failure to pay the disputed amount of a bill.
5. 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.
6. Failure to pay the bill of another customer as guarantor thereof.

We will notify a third party - a specific person, organization, or governmental agency - on your behalf, who is willing to assist you in the payment of utility bills. Just fill out one of our Third Party Guaranty forms.

If you are in danger of being disconnected, and there is someone in your household who is chronically or seriously ill, you may avoid discontinuance by submitting a complete Medical Certificate and Financial Certificate, found on the back of your shut-off notice, and executing a Payment Agreement.

To avoid being disconnected you may enter into a Payment Agreement with the Company that will allow for three installment payments of the amount due, over a forty-five day period.