

Southwest Gas Corporation

2016 General Rate Case Application

Volume I

Application and Tariff Sheets

Docket No. G-01551A-16-0107

May 2, 2016



SOUTHWEST GAS CORPORATION

Application

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 **Doug Little, Chairman**

4 **Bob Stump**

5 **Bob Burns**

6 **Tom Forese**

7 **Andy Tobin**

8 In the Matter of the Application of Southwest
9 Gas Corporation for the Establishment of Just
10 and Reasonable Rates and Charges Designed
11 to Realize a Reasonable Rate of Return on the
12 Fair Value of the Properties of Southwest Gas
13 Corporation Devoted to Its Arizona Operations

DOCKET NO. G-01551A-16-0107

14 **APPLICATION**

15 **1. Introduction.**

16 Southwest Gas Corporation (Southwest Gas or Company) hereby submits to the
17 Arizona Corporation Commission (Commission) its application requesting approval of an
18 increase in the retail natural gas utility service rates in its Arizona rate jurisdiction due to a
19 revenue deficiency of \$31.9 million or approximately 4.25 percent over current revenues.
20 As set forth more fully in the supporting testimony, it has been more than five years since
21 the Company last filed a general rate case, and currently effective rates are based upon the
22 level of operating expenses and capital investments made by the Company prior to June
23 30, 2010. The Company proposes an increase in revenues to reflect overall changes in the
24 level of operating expenses currently being experienced by the Company and to reflect the
25 significant capital investments the Company has made in its natural gas distribution system
26 since its last rate case, which are not presently included in rates. In addition, the Company
27 is proposing enhancements to existing regulatory mechanisms and tariff provisions, as well
28 as several new proposals, each of which are designed to benefit customers and facilitate
on-going investments in the natural gas distribution system to enhance safety and reliability.

This application is based upon and supported by the material facts, points and
authorities, and all other information contained herein, the supporting testimony and
schedules submitted herewith, and such other matters as may be presented to the

Commission at the time of any hearing on this application. In support of its application, Southwest Gas further states as follows:

2. Applicant.

2.1 Southwest Gas is a corporation in good standing under the laws of the state of Arizona, and is a corporation duly organized, validly existing, and qualified to transact intrastate business.

2.2 Southwest Gas' corporate offices are located at 5241 Spring Mountain Road, P.O. Box 98510, Las Vegas, Nevada 89193-8510. Communications regarding this application should be addressed to:

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Regulatory Manager, Arizona
Southwest Gas Corporation
1600 E. Northern Avenue
Phoenix, Arizona 85020
Telephone No. (602) 395-4058
Email: matt.derr@swgas.com

2.3 Southwest Gas is a public utility subject to the jurisdiction of the Commission pursuant to Article XV of the Arizona Constitution and the applicable provisions of Title 40 of the Arizona Revised Statutes (A.R.S.). Southwest Gas is engaged in the retail distribution, transportation and sale of natural gas for domestic, commercial, agricultural and industrial uses. Southwest Gas currently serves approximately 1.9 million customers in Arizona, California, and Nevada. Approximately 54 percent of the Company's customers are located in the state of Arizona, including portions of Cochise, Gila, Graham, Greenlee, La Paz, Maricopa, Mohave, Pima, Pinal and Yuma counties. For operational purposes, Southwest Gas' central Arizona division is headquartered in Phoenix and its southern Arizona division is headquartered in Tucson.

3. Authority.

Southwest Gas submits this application pursuant to Article XV, Sections 3 and 14, of the Arizona Constitution, Sections 40-250 and 40-251 of the A.R.S., as well as other

1 applicable provisions of A.R.S. Title 40, and Section R14-2-103 of the Arizona
2 Administrative Code (A.A.C.). The Application consists of three volumes, organized as
3 follows: Volume I contains the application, proposed tariff sheets and current tariff sheets;
4 Volume II contains the prepared direct testimony supporting the relief requested herein; and
5 Volume III contains supporting schedules. Southwest Gas is a Class A utility, as defined
6 by A.A.C. R14-2-103. Accordingly, the schedules required by A.A.C. R14-2-103 are
7 included herewith as Volume III of this application.

8 **4. Brief Overview of Application.**

9 **4.1** Southwest Gas' requested revenue increase is necessary to maintain and
10 provide safe and reliable natural gas service to its Arizona customers at a level they both
11 expect and are entitled to receive. Southwest Gas' application includes only those
12 proposals it believes necessary to provide safe and reliable service at reasonable rates.

13 **4.2** Southwest Gas requests authorization to increase its retail rates in Arizona
14 to recover its revenue deficiency of approximately \$31.9 million.

15 **4.3** In addition to Southwest Gas' request for authority to increase its retail natural
16 gas rates, the Company requests approval to rebrand and expand its existing infrastructure
17 recovery program and to implement a new cost tracker. As discussed in more detail below,
18 Southwest Gas seeks to rebrand its existing COYL cost recovery mechanism to facilitate
19 recovery for other Commission-approved non-revenue producing infrastructure
20 investments. The Company also seeks to implement a Property Tax True-Up mechanism
21 to address the volatility associated with Arizona property tax expense experienced between
22 rate cases, and to ensure customers never pay more than the actual property tax expense
23 incurred by Southwest Gas.

24 **4.4** Additional details regarding the circumstances and conditions justifying
25 Southwest Gas' proposed increase and the requested regulatory mechanisms are provided
26 later in this application, and in the supporting testimony and accompanying schedules.

1 **5. Request for Authority to Increase Rates.**

2 **5.1** Southwest Gas' current rates and charges were approved by the
3 Commission in Decision No. 72723, based on a test year ended June 30, 2010.

4 **5.2** As set forth more fully in the supporting testimony, it has been more than five
5 years since the Company last filed a general rate case, and currently effective rates are
6 based upon the level of operating expenses and capital investments made by the Company
7 prior to June 30, 2010. Although Southwest Gas has efficiently managed operating
8 expenses over the past five years, authorized revenues need to be updated to reflect overall
9 changes in the level of operating expenses currently being experienced by the Company
10 and to reflect the significant capital investments the Company has made in its natural gas
11 distribution system since its last rate case, which are not presently included in rates.

12 **5.3** Southwest Gas' request is based upon a historic test period ending
13 November 30, 2015, adjusted for changes in revenues and expenses, including its cost of
14 capital, that are known and measurable with reasonable accuracy at the time of filing.
15 Southwest Gas requests authority to increase rates to achieve an increase in total revenues
16 of approximately \$31.9 million to produce the Company's requested 6.01 percent fair value
17 rate of return.

18 **5.4** Southwest Gas also proposes adjustments related to events that have
19 occurred, or will occur, after the end of the test period. By including these proposed
20 adjustments in its application, the Company is able to present a more accurate level of costs
21 and expenses that will be incurred once the rates approved in this proceeding become
22 effective. The proposed adjustments include the Company's 2016 wage increase and
23 within-grade movement; post-test year plant; December 2015 COYL plant additions; and
24 deferred federal income taxes resulting from the post-test year enactment of bonus
25 depreciation for the 2015 tax year qualifying capital expenditures.

26 **5.5** Southwest Gas' requested revenue increase is based upon a 10.25 percent
27 cost of common equity capital relative to the Company's actual capital structure at the end
28 of the test period, consisting of a common equity ratio of 51.69 percent. Southwest Gas

1 submits that the recommended cost of common equity capital represents a conservative
2 estimate of investor expectations given recent financial market conditions.

3 **5.6** The proposed increase in revenue sought by Southwest Gas herein is
4 necessary to provide the Company a reasonable opportunity to earn a fair and reasonable
5 rate of return on the fair value of its Arizona investments in order to attract the capital
6 necessary to ensure that it can continue to provide reliable service to present and future
7 Arizona customers at reasonable rates. Additional information regarding Southwest Gas'
8 proposed rate increase is provided in the supporting testimony and schedules
9 accompanying this application.

10 **6. Request for Approval of Regulatory Mechanisms.**

11 *GIM Mechanism*

12 **6.1** As a natural gas distribution company, Southwest Gas takes pipeline safety
13 very seriously and is dedicated to providing safe and reliable service to its customers. An
14 important part of providing that safe and reliable service is developing pipeline infrastructure
15 proposals that respond to both industry concerns and customer needs, and working with
16 regulators and other parties to implement them. In recent years, industry concerns at both
17 the state and federal level have resulted in a heightened focus on the modernization of
18 natural gas systems, including the replacement of aging infrastructure.

19 **6.2** Southwest Gas worked collaboratively with the Commission and the parties
20 to its last general rate case to develop an infrastructure recovery mechanism for the
21 Company's COYL program, which replaces customer owned pipe with facilities owned,
22 operated and maintained by the Company. In this proceeding, Southwest Gas requests
23 authority to rebrand the COYL mechanism as the GIM mechanism to facilitate the continued
24 replacement of COYLs as well as the inclusion of other non-revenue producing investment
25 activity.

26 **6.3** Through the proposed GIM and other capital expenditures plans, Southwest
27 Gas proposes to make significant investments to enhance the safety and reliability of its
28 natural gas system, and this investment will also have a positive impact on the Arizona

economy. The Company commissioned IHS Economics Consulting to perform an economic impact study that quantifies the benefits of the Company's capital investment budget in Arizona. The IHS analysis concludes that the Company's capital budget through 2018, including anticipated GIM-related expenditures, will significantly impact the Arizona economy through increased local spending (\$243 million), employment (2,770 jobs), wages (\$172 million) and state and local taxes (\$13.4 million). These benefits will directly and/or indirectly reach all Arizonans, including the Company's natural gas customers.

Property Tax True-Up Mechanism

6.4 Southwest Gas' proposed Property Tax True-up mechanism helps the Company address the volatility associated with the Arizona property tax expense between rate cases and protects customers by ensuring they never pay more than the actual property tax expense paid by the Company. Property tax rates are determined by local governments and are therefore beyond the managerial discretion and control of Southwest Gas. The Company therefore requests authority to defer incremental changes in property tax expense, to be collected or refunded through the mechanism. The Property Tax True-up mechanism is symmetrical - as the Company's Arizona property tax expense increases there will be a surcharge to customers, and as the Company's Arizona property tax expense decreases, customers will receive a credit. This ensures that customers never pay more than the actual property tax expense paid by the Company.

7. Miscellaneous Items.

Bill Impact

7.1 Southwest Gas is very mindful of the impact rate increases have on its customers and does its best to implement cost saving strategies to minimize increases for its customers. The Company has effectively managed its costs in the five years since its last general rate case filing in 2010. As a result, the rate increase requested in this application represents a 2.8 percent increase to the average annual bill for residential customers. By comparison, the inflation rate for the same five year period was 7.9 percent.

1 **7.2** If the Company's application is accepted as filed, the proposed average
2 monthly single family residential bill would be \$42.47. This proposed bill is slightly less than
3 the average bill of \$42.62 authorized in the Company's last general rate case.

4 **Rate Design**

5 **7.3** Southwest Gas proposes the same rate design approved by the Commission
6 in the Company's last general rate case – consisting of a monthly basic service charge and
7 a volumetric rate that captures both delivery charges and gas costs. Southwest Gas'
8 proposed rate design strives to accomplish four objectives: (1) customer acceptance and
9 understandability; (2) rates that work in tandem with its decoupled rate structure; (3) the
10 effect of the rate design on the promotion of the Company's energy efficiency and
11 conservation efforts; and (4) the fair and equitable recovery of costs. Moreover, the revenue
12 stability offered by the Company's decoupled rate structure affords it the opportunity to
13 recover its revenue deficiency in variable charges. As a result, Southwest Gas' proposed
14 rate design maintains basic service charges at their current levels – for example, the single
15 family residential basic service charge is proposed to remain at \$10.70.

16 **7.4** Southwest Gas proposes to continue its decoupled rate design through use
17 of the Energy Efficiency Enabling Provision (EEP). The EEP mechanism has performed as
18 intended and has benefited customers by ensuring that they never overpay for the delivery
19 charges associated with providing natural gas service. Southwest Gas is proposing
20 enhancements to the monthly weather adjustment to help ensure that: (1) the mechanism
21 is only capturing changes in customer's weather sensitive consumption; and (2) the
22 mechanism is only capturing changes during the months that customers will most likely
23 experience weather that results in changes in weather sensitive consumption.

24 **Tariff Changes**

25 **7.5** Southwest Gas proposes several changes to its Arizona Gas Tariff to make
26 a variety of updates and "housekeeping changes", including proposals to help facilitate
27 market penetration within both the new-construction multi-family and high pressure
28 compression service markets. Additional information regarding the circumstances and

1 conditions justifying Southwest Gas' proposed tariff changes is provided in the supporting
2 testimony that accompanies this application.

3 Witnesses – Prepared Direct Testimony

4 **7.6** Southwest Gas' application and the requests made herein are supported by
5 the prepared direct testimony and exhibits of the following Company witnesses, all of which
6 are included in Volume II of the application:

- 7 • **Carla D. Ayala** provides testimony supporting the methodology used by the
8 Company to develop billing determinants for the test period under present rates, and
9 certain adjustments made by the Company to the recorded number of bills and
10 therms. Ms. Ayala sponsors schedules and work papers supporting the Company's
11 billing determinants for the test year.
- 12 • **Byron C. Williams** provides testimony supporting, from a tax perspective, the
13 Company's proposed Property Tax True-Up mechanism. Mr. Williams also
14 discusses the impact of post-test year changes to federal and state income tax laws
15 on the Company's cost of service.
- 16 • **Kevin M. Lang** provides testimony supporting, from an operations perspective, the
17 Company's proposed GIM mechanism, including its proposals to expand the COYL
18 program and accelerate the replacement of pre-1970 vintage steel pipe.
- 19 • **Kristien M. Tary** sponsors the Company's embedded class cost of service study.
- 20 • **Brian T. Holmen** provides testimony supporting the Company's executive
21 compensation. Mr. Holmen is an executive compensation consultant with Korn Ferry
22 Hay Group (Hay Group), and was engaged by Southwest Gas to provide an
23 objective assessment of the competitiveness and reasonableness of its executive
24 compensation program. Mr. Holmen's testimony provides an overview of the
25 Company's compensation philosophy and sponsors the results of the Hay Group
26 assessment.

- 1 • **Dane A. Watson** provides testimony supporting the Company's depreciation studies
2 and proposed depreciation rates. Mr. Watson is a Certified Depreciation
3 Professional and Partner in Alliance Consulting Group, and was engaged by
4 Southwest Gas to conduct Arizona-specific and system allocable depreciation
5 studies. Mr. Watson's testimony provides an overview of the Company's assets and
6 sponsors the results of the studies.
- 7 • **Randi L. Cunningham** provides testimony supporting the overall results of
8 operations in Southwest Gas' Arizona rate jurisdiction, including the determination
9 of revenue deficiency. Ms. Cunningham identifies and explains the major reasons
10 and underlying causes of the revenue deficiency and sponsors various schedules
11 and work papers supporting the Company's requested revenue requirement, as well
12 as various revenue requirement schedules. Ms. Cunningham also provides
13 testimony supporting the Company's methodology for determining cost responsibility
14 and allocation, and sponsors various schedules and work papers supporting the
15 Company's operating expense and rate base adjustments, as well as certain
16 financial and statistical statements and projections.
- 17 • **Theodore K. Wood** provides testimony supporting the overall rate of return
18 requested in this proceeding. Mr. Wood testifies in support of the requested capital
19 structure and embedded cost of long-term debt used for determining the appropriate
20 cost of capital, including various schedules and work papers supporting the
21 Company's request. Mr. Wood also discusses the importance of the Company's
22 overall rate of return on the Company's bond ratings and financial profile.
- 23 • **Robert B. Hevert** provides testimony supporting the Company's proposed cost of
24 common equity. Mr. Hevert is the Managing Partner of Sussex Economic Advisors,
25 LLC, and was engaged by Southwest Gas to perform an analysis and provide a
26 recommendation concerning the Company's cost of common equity, an analysis of
27 the methodology used by the Company to calculate fair value rate base, and a
28

1 recommendation concerning the Company's calculation of the fair value rate of
2 return.

- 3 • **Christy M. Berger** provides testimony supporting the Company's rate design
4 proposals, including the continuation of the Company's decoupled rate design. Ms.
5 Berger also testifies as to various updates and "housekeeping" changes to the
6 Company's tariff.
- 7 • **Edward Giesecking** provides testimony supporting, from a ratemaking perspective,
8 the Company's regulatory mechanisms, including the proposed GIM and Property
9 Tax True-Up mechanisms.

10 **8. Conclusion.**

11 **8.1** Southwest Gas believes that Commission approval of the proposed rate
12 increase, including the requested regulatory mechanisms, will result in just and reasonable
13 rates.

14 **8.2** Southwest Gas further submits that approval of this application as proposed
15 will provide the Company with an opportunity to earn a reasonable rate of return on the fair
16 value of its Arizona properties commensurate with other similarly situated natural gas
17 utilities.

18 WHEREFORE, Southwest Gas respectfully requests that the Commission issue a
19 special order pursuant to A.A.C. R14-3-101.C, to establish notice, filing, discovery and
20 hearing procedures, and that upon conclusion of the hearing, the Commission issue a final
21 order:

22 1. Authorizing a retail natural gas service rate increase in Southwest Gas' Arizona rate
23 jurisdiction of \$31.9 million annually, based upon the fair value of the Company's Arizona
24 properties and a historic test year ending November 30, 2015;

25 2. Approving the Company's proposals pertaining to the GIM and Property Tax True-
26 Up mechanisms;

27 3. Approving the Company's proposed rate design, including the enhancements to the
28 EEP and the revisions to its Arizona Gas Tariff; and

1 4. For any other relief the Commission deems just and reasonable.

2 Dated this 2nd day of May, 2016.

3 Respectfully submitted,

4 SOUTHWEST GAS CORPORATION

5 

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7 Arizona Bar No. 028939

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9 Las Vegas, NV 89150-0002

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13 *Attorney for Southwest Gas Corporation*

1 An Original and 15 copies of the foregoing
2 were filed this 2nd day of May, 2016, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, AZ 85007

7 Copies of the foregoing were hand-delivered or mailed
8 this 2nd day of May, 2016, to:

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10 Chief Administrative Law Judge, Hearing Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, AZ 85007

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15 Chief Counsel, Legal Division
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28 Richard Gayer
526 West Wilshire Drive
Phoenix, AZ 85003

By:  _____

Proposed Tariff Sheets

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P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling _____

A.C.C. Sheet No. 3

A.C.C. Sheet No. _____

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Arizona Gas Tariff No. 7

Arizona Division

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A.C.C. Sheet No. 4

A.C.C. Sheet No. _____

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A.C.C. Sheet No. 8

A.C.C. Sheet No. _____

INDEX OF COMMUNITIES

The rate schedules applicable to the communities listed below are Schedule Nos. G-5 through G-80, T-1 and SB-1.

| | | | |
|------------------|-----------------|-----------------|--------------|
| Adobe | Douglas | Marana | San Simon |
| Aguila | Dragoon | Maricopa | Scottsdale |
| Ajo | Dudleyville | Marinette | Sierra Vista |
| Amado | Ehrenberg | McNeal | Somerton |
| Apache | Elfrida | Mesa | Sonoita |
| Apache Junction | El Mirage | Miami | South Tucson |
| Arizona City | Eloy | Mobile | St. David |
| Arivaca Junction | Florence | Mohave Valley | Stanfield |
| Arlington | Fort Grant | Morenci | Stargo |
| Avondale | Fort Huachuca | Morristown | Sun City |
| Beardsley | Fort Mohave | Naco | Sunizona |
| Benson | Fountain Hills | New River | Sun Lakes |
| Bisbee | Gila Bend | Ocotillo | Sunsites |
| Bisbee Junction | Gilbert | Oracle | Superior |
| Bonita | Glendale | Oro Valley | Surprise |
| Bowie | Globe | Palominas | Tacna |
| Buckeye | Goodyear | Paradise Valley | Tempe |
| Bullhead City | Green Valley | Parker | Theba |
| Bylas | Guadalupe | Pearce | Tolleson |
| Carefree | Harcuvar | Peoria | Tombstone |
| Casa Grande | Harquahala | Peridot | Tonopah |
| Cashion | Hayden | Perryville | Topock |
| Cave Creek | Hereford | Phoenix | Tucson |
| Central Heights | Higley | Picacho | Vail |
| Chandler | Horn | Pirtleville | Valley Farms |
| Chandler Heights | Huachuca City | Queen Creek | Waddell |
| Circle City | Hyder | Rainbow Valley | Wellton |
| Claypool | Kansas | Red Rock | Wenden |
| Clifton | Settlement | Rillito | Wickenburg |
| Cochise | Kearny | Riverside | Willcox |
| Coolidge | Kelvin | Riviera | Williams AFB |
| Cortaro | Laveen | Sacaton | Winkelman |
| Cutter | Liberty | Sahuarita | Wittmann |
| Dateland | Litchfield Park | Salome | Youngtown |
| Don Luis | Luke AFB | San Carlos | Yuma |
| Double Adobe | Mammoth | San Manuel | |

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A.C.C. Sheet No. 11

A.C.C. Sheet No. _____

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/} ^{2/}

| Description | Delivery Charge | ^{3/} Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate |
|---|-----------------|-------------------------------|------------------|---------------------------------|
| <u>G-5 – Single-Family Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 10.70 | | | \$ 10.70 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.75317 | \$.00074 | \$.48556 | \$ 1.23947 |
| <u>G-6 – Multi-Family Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 9.70 | | | \$ 9.70 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.75317 | \$.00074 | \$.48556 | \$ 1.23947 |
| <u>G-10– Single-Family Low Income Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 7.50 | | | \$ 7.50 |
| Commodity Charge per Therm: | | | | |
| Summer (April–November): | | | | |
| All Usage | \$.75317 | (\$.02001) | \$.48556 | \$ 1.21872 |
| Winter (December–March): | | | | |
| First 150 Therms | \$.38815 | (\$.02001) | \$.48556 | \$.85370 |
| Over 150 Therms | .75317 | (\$.02001) | \$.48556 | 1.21872 |
| <u>G-11– Multi-Family Low Income Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 7.50 | | | \$ 7.50 |
| Commodity Charge per Therm: | | | | |
| Summer (April–November): | | | | |
| All Usage | \$.75317 | (\$.02001) | \$.48556 | \$ 1.21872 |
| Winter (December–March): | | | | |
| First 150 Therms | \$.38815 | (\$.02001) | \$.48556 | \$.85370 |
| Over 150 Therms | .75317 | (\$.02001) | \$.48556 | 1.21872 |
| <u>G-15– Special Residential Gas Service for Air Conditioning</u> | | | | |
| Basic Service Charge per Month | \$ 10.70 | | | \$ 10.70 |
| Commodity Charge per Therm: | | | | |
| Summer (April–November): | | | | |
| First 15 Therms | \$.75317 | \$.01263 | \$.48556 | \$ 1.25136 |
| Over 15 Therms | .13391 | \$.01263 | \$.48556 | .63210 |
| Winter (December–March): | | | | |
| All Usage | \$.75317 | \$.01263 | \$.48556 | \$ 1.25136 |
| <u>G-20– Master-Metered Mobile Home Park Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 66.00 | | | \$ 66.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.48342 | \$.03254 | \$.48556 | \$.99598 |

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Arizona Gas Tariff No. 7

Arizona Division

Canceling _____

A.C.C. Sheet No. 12

A.C.C. Sheet No. _____

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

| Description | Delivery Charge | ^{3/} Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate |
|---|--------------------------------------|----------------------------------|------------------|---------------------------------|
| <u>G-25- General Gas Service</u> | | | | |
| Basic Service Charge per Month: | | | | |
| Small | \$ 27.50 | | | \$ 27.50 |
| Medium | 43.50 | | | 43.50 |
| Large-1 | 80.00 | | | 80.00 |
| Large-2 | 470.00 | | | 470.00 |
| Transportation Eligible | 950.00 | | | 950.00 |
| Commodity Charge per Therm: | | | | |
| Small, All Usage | \$.90590 | (\$.01363) | \$.48556 | \$ 1.37783 |
| Medium, All Usage | .47886 | (.01363) | .48556 | .95079 |
| Large-1, All Usage | .42547 | (.01363) | .48556 | .89740 |
| Large-2, All Usage | .29824 | (.01363) | .48556 | .77017 |
| Transportation Eligible | .11481 | .01263 | .48556 | .61300 |
| Demand Charge per Month- | | | | |
| Transportation Eligible: | | | | |
| Demand Charge ^{4/} | \$.083392 | | | \$.083392 |
| <u>G-30- Optional Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 27. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | As specified on A.C.C. Sheet No. 28. | | | |
| <u>G-40- Air Conditioning Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 32. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.13391 | \$.01263 | \$.48556 | \$.63210 |
| <u>G-45- Street Lighting Gas Service</u> | | | | |
| Commodity Charge per Therm of Rated Capacity: | | | | |
| All Usage | \$ 1.22494 | \$.01263 | \$.48556 | \$ 1.72313 |
| <u>G-50- Compression Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 36. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | As specified on A.C.C. Sheet No. 36. | | | |
| <u>G-55- Gas Service for Compression ^{5/} on Customer's Premises</u> | | | | |
| Basic Service Charge per Month: | | | | |
| Small | \$ 27.50 | | | \$ 27.50 |
| Large | 250.00 | | | 250.00 |
| Residential | 10.70 | | | 10.70 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.22010 | \$.01263 | \$.48556 | \$.71829 |
| <u>G-60- Electric Generation Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 40. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.16003 | \$.01263 | \$.48556 | \$.65822 |
| <u>G-75- Small Essential Agricultural User Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 120.00 | | | \$ 120.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.28870 | \$.01263 | \$.48556 | \$.78689 |

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Arizona Gas Tariff No. 7

Arizona Division

Canceling _____

A.C.C. Sheet No. 13

A.C.C. Sheet No. _____

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/} ^{2/}
(Continued)

| Description | Delivery Charge | ^{3/} Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate |
|---|--------------------|-------------------------------------|---------------------|---------------------------------------|
| G-80 – Natural Gas Engine ^{6/} Water Pumping Gas Service | | | | |
| Basic Service Charge per Month: | | | | |
| Off-Peak Season (October–March) | \$.00 | | | \$.00 |
| Peak Season (April–September) | \$ 125.00 | | | \$ 125.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.22488 | \$.01263 | \$.32056 | \$.55807 |

^{1/} All charges are subject to adjustment for any applicable taxes or governmental impositions.

^{2/} Customers taking transportation service will pay the Basic Service Charge, the Commodity Charge per Therm less the Monthly Gas Cost, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$.00404 per therm for distribution shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. The shrinkage charge shall be updated annually effective May 1. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months.

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Arizona Gas Tariff No. 7

Arizona Division

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A.C.C. Sheet No. 14

A.C.C. Sheet No. _____

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

3/ The Rate Adjustment applicable to each tariff rate schedule includes the following components.

| Description | G-5, G-6 | G-10, G-11 | G-15 | G-20 | Adjustment Date |
|---------------------------------|------------|--------------|------------|------------|-----------------------------|
| Low Income Ratepayer Assistance | \$ 0.01437 | n/a | n/a | \$ 0.01437 | 1st Billing Cycle in May |
| Demand Side Management | 0.00838 | \$ 0.00200 | \$ 0.00838 | 0.00838 | Per Commission Order |
| Department of Transportation | 0.00425 | 0.00425 | 0.00425 | 0.00425 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | 0.00000 | 0.00000 | 0.00000 | 0.00000 | Per Commission Notification |
| GIM Cost Recovery | 0.00000 | n/a | 0.00000 | 0.00000 | Per Commission Order |
| EEP | (0.02626) | (0.02626) | n/a | n/a | Per Commission Order |
| Property Tax True-up | 0.00000 | 0.00000 | 0.00000 | 0.00000 | Per Commission Order |
| Total Rate Adjustment | \$ 0.00074 | \$ (0.02001) | \$ 0.01263 | \$ 0.02700 | |

| Description | G-25S, G-25M, G-25-L1, G-25-L2 | G-25TE, G-40, G-45, G-55, G-60, G-75 | G-80 | G-30, SB-1, Special Contracts | Adjustment Date |
|---------------------------------|--------------------------------------|---|------------|-------------------------------------|-----------------------------|
| Low Income Ratepayer Assistance | n/a | n/a | n/a | n/a | 1st Billing Cycle in May |
| Demand Side Management | \$ 0.00838 | \$ 0.00838 | \$ 0.00838 | n/a | Per Commission Order |
| Department of Transportation | 0.00425 | 0.00425 | 0.00425 | \$ 0.00425 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | 0.00000 | 0.00000 | n/a | n/a | Per Commission Notification |
| GIM Cost Recovery | 0.00000 | 0.00000 | 0.00000 | n/a | Per Commission Order |
| EEP | (0.02626) | n/a | n/a | n/a | Per Commission Order |
| Property Tax True-up | 0.00000 | 0.00000 | 0.00000 | 0.00000 | Per Commission Order |
| Total Rate Adjustment | \$ (0.01363) | \$ 0.01263 | \$ 0.01263 | \$ 0.00425 | |

4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.

5/ The charges for Schedule No. G-55 are subject to adjustment for applicable state and federal taxes on fuel used in motor vehicles.

6/ The gas cost for this rate schedule shall be updated seasonally, April 1 and October 1 of each year.

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A.C.C. Sheet No. 15

A.C.C. Sheet No. _____

**STATEMENT OF RATES
OTHER SERVICE CHARGES ^{1/}**

| <u>Description</u> | <u>Reference</u> | <u>Amount</u> |
|---|------------------|--------------------------------|
| <u>Service Establishment Charge</u> | | |
| <u>Schedule No. G-5, G-6, or G-15</u> | | |
| Normal Service | Rule 3D | \$ 35.00 |
| Expedited Service | Rule 3D | 50.00 |
| <u>Schedule No. G-10 or G-11</u> | | |
| Normal Service | Rule 3D | \$ 24.00 |
| Expedited Service | Rule 3D | 32.00 |
| <u>All Other Rate Schedules</u> ^{2/} | | |
| Normal Service | Rule 3D | \$ 60.00 |
| Expedited Service | Rule 3D | 85.00 |
| <u>Customer Requested Meter Tests</u> | | |
| First Test | Rule 8C | \$ 25.00 |
| Subsequent Tests ^{3/} | | \$ 25.00 |
| <u>Returned Item Charge</u> | | |
| Per Item | Rule 9J | \$ 14.00 |
| <u>Re-Read Charge</u> | | |
| Per Read | Rule 8B | \$ 10.00 |
| <u>Late Charge</u> | | |
| Each Delinquent Bill | Rule 9E | 1.5% of the delinquent amount. |

1/ Subject to adjustment for any applicable taxes or governmental impositions.

2/ For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility in establishing service.

3/ For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility to perform the meter test.

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Schedule No. G-5

SINGLE-FAMILY RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to customers which consists of direct domestic gas usage in a single-family residential dwelling for space heating, clothes drying, cooking, water heating, and other residential uses.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Schedule No. G-6

MULTI-FAMILY RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to customers in a multi-family residential structure.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Schedule No. G-10

SINGLE-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to the primary residences of low income residential customers who would otherwise be provided service under Schedule No. G-5 and who meet the criterion which establishes that a qualifying customer's household income must not exceed 150 percent of the Federal poverty level.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and is incorporated herein by reference. The commodity charge during the Winter Season delivered under this schedule shall reflect a 30 percent reduction from the commodity charge (excluding the LIRA rate adjustment, GIM Cost Recovery and the portion of the DSM surcharge exceeding \$ 0.00200 per therm) applicable to Schedule No. G-5, the customer's otherwise applicable gas sales tariff schedule.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. Eligibility requirements for the Low Income Residential Gas Service are set forth on the Utility's Application for Low Income Ratepayer Assistance (LIRA) form. Customers must have an approved application form on file with the Utility. Recertification will be required every two years and whenever a customer moves to a new residence within the Utility's service area.

Canceling _____

A.C.C. Sheet No. 20

A.C.C. Sheet No. _____

Schedule No. G-10

SINGLE-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

2. Eligible customers shall be billed under this schedule during the winter season commencing with the next regularly scheduled billing period after the Utility has received the customer's properly completed application form or recertification.
3. Eligibility information provided by the customer on the application form may be subject to verification by the Utility. Refusal or failure of a customer to provide current documentation of eligibility acceptable to the Utility, upon request of the Utility, shall result in removal from or ineligibility for this schedule.
4. Customers who wrongfully declare eligibility or fail to notify the Utility when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential schedule.
5. It is the responsibility of the customer to notify the Utility within 30 days of any changes in the customer's eligibility status.
6. Customers with connected service to pools, spas or hot tubs are eligible for this schedule, only if usage is prescribed, in writing, by a licensed physician.
7. All monetary discounts will be tracked through a balancing account established by the Utility and recovered through the Utility's Low Income Ratepayer Assistance (LIRA) Rate Adjustment Provision.
8. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

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Schedule No. G-11

MULTI-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to the primary residences of low income residential customers who would otherwise be provided service under Schedule No. G-6 and who meet the criterion which establishes that a qualifying customer's household income must not exceed 150 percent of the Federal poverty level.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and is incorporated herein by reference. The commodity charge applicable to the first 150 therms per month during the Winter Season delivered under this schedule shall reflect a 20 percent reduction from the commodity charge (excluding the LIRA and Gas Cost Balancing Account rate adjustments) applicable to Schedule No. G-6, the customer's otherwise applicable gas sales tariff schedule.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. Eligibility requirements for the Low Income Residential Gas Service are set forth on the Utility's Application for Low Income Ratepayer Assistance (LIRA) form. Customers must have an approved application form on file with the Utility. Recertification will be required every two years and whenever a customer moves to a new residence within the Utility's service area.

Canceling _____

A.C.C. Sheet No. 20B

A.C.C. Sheet No. _____

Schedule No. G-11

MULTI-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. Eligible customers shall be billed under this schedule during the winter season commencing with the next regularly scheduled billing period after the Utility has received the customer's properly completed application form or recertification.
3. Eligibility information provided by the customer on the application form may be subject to verification by the Utility. Refusal or failure of a customer to provide current documentation of eligibility acceptable to the Utility, upon request of the Utility, shall result in removal from or ineligibility for this schedule.
4. Customers who wrongfully declare eligibility or fail to notify the Utility when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential schedule.
5. It is the responsibility of the customer to notify the Utility within 30 days of any changes in the customer's eligibility status.
6. Customers with connected service to pools, spas or hot tubs are eligible for this schedule, only if usage is prescribed, in writing, by a licensed physician.
7. All monetary discounts will be tracked through a balancing account established by the Utility and recovered through the Utility's Low Income Ratepayer Assistance (LIRA) Rate Adjustment Provision.
8. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

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A.C.C. Sheet No. 23

A.C.C. Sheet No. _____

Schedule No. G-20

MASTER-METERED MOBILE HOME PARK GAS SERVICEAPPLICABILITY

Applicable to gas service for cooking, water heating, space heating and other usages supplied to a master-metered mobile home park and its tenants within the park through one meter on a single premise. This schedule is closed to new installations.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

LOW INCOME DISCOUNT

If an individual tenant of a mobile home park served under this schedule meets the low income criteria specified on the Utility's "Application for Low Income Ratepayer Assistance" form the mobile home park customer shall be eligible for the Low Income Ratepayer Assistance (LIRA) discount for that tenant's account. The LIRA program entitles customers served under this schedule to a reduction in the commodity charge under Schedule No. G-20 equivalent to the differential in the commodity charge under Schedule Nos. G-5 and G-10. Such rate reduction will be applicable for the first 150 therms consumed by each eligible tenant per month during the Winter Season.

Customers taking service under this schedule will receive the LIRA discount on their metered volumes in proportion to the percentage of mobile home park tenants that qualify under the LIRA program criteria. Customers served under this schedule must have an approved application form on file with the Utility for each tenant eligible for the LIRA discount. Recertification will be required every two years and the customer must notify the Utility within 30 days of any changes in the eligibility status of the customer's tenants. It is the responsibility of master-metered customers to pass through a proportionate share of the low income discount to each eligible low income tenant. If the Utility ascertains that a master-metered customer has failed to appropriately pass through the LIRA discount to eligible tenants, an adjusted bill may be rendered to the customer.

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A.C.C. Sheet No. 24

A.C.C. Sheet No. _____

Schedule No. G-20

MASTER-METERED MOBILE HOME PARK GAS SERVICE
(Continued)

LOW INCOME DISCOUNT (Continued)

Customers submitting LIRA discount applications on behalf of eligible tenants during the winter season will begin receiving the discount in the next regularly scheduled billing period subsequent to the Utility's approval of the submitted application. All LIRA application information may be subject to verification by the Utility. Failure of a customer to provide any eligibility documentation requested by the Utility shall render the customer ineligible for the respective LIRA discount request. Customers that receive the LIRA discount on behalf of ineligible tenants may be rebilled for the period of ineligibility under the otherwise applicable undiscounted sales rate.

All LIRA rate discounts will be recorded in a balancing account established by the Utility and recovered through the Utility's LIRA Rate Adjustment Provision.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Canceling _____

A.C.C. Sheet No. 25

A.C.C. Sheet No. _____

Schedule No. G-25

GENERAL GAS SERVICE

APPLICABILITY

Applicable to commercial, industrial, United States Armed Forces, and essential agricultural customers as defined in Rule No. 1 of this Arizona Gas Tariff. Small general gas service customers are defined as those whose average monthly requirements on an annual basis are less than or equal to 50 therms per month. Medium general gas service customers are those whose average monthly requirements on an annual basis are greater than 50 therms, but less than or equal to 600 therms per month. Large general gas service customers are those whose average monthly requirements on an annual basis are greater than 600 therms per month, but less than or equal to 15,000 therms per month. Transportation Eligible gas service customers are those whose average monthly requirements on an annual basis are greater than 15,000 therms per month.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

1. Small, Medium, and Large General Gas Service.

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

The minimum charge per meter per month is the basic service charge.

2. Transportation Eligible General Gas Service

The basic service charge, the demand charge and the commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to each customer's highest monthly throughput during the most recent 12-month period, ending two months prior to the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

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A.C.C. Sheet No. 28

A.C.C. Sheet No. _____

Schedule No. G-30

OPTIONAL GAS SERVICE
(Continued)

RATES (Continued)

Unless otherwise provided, the commodity charge per therm shall be determined in accordance with Special Condition No. 2. In no event shall the commodity charge per therm be less than the "floor" cost of gas, which is defined as the sum of (1) the weighted average commodity cost of gas, excluding gas purchased for the Arizona Price Stability Program, purchased by the Utility for system supply during the month; (2) an amount to reflect upstream pipeline capacity charges; and (3) an amount to reflect distribution system shrinkage.

For customers qualifying for service under Applicability Provision (3) above, and, if the Utility is unable to serve such customer utilizing the "floor" cost of gas as set forth above, a Special Gas Procurement Agreement shall be executed and approved by the Commission, and the commodity charge per therm shall be determined in accordance with Special Condition No. 3.

In addition to the charges described above, customers served under this schedule will be responsible for their share of any interstate pipeline charges incurred by the Utility.

With the exception of gas sales provided for under Special Condition No. 3, the Utility shall account for sales under this schedule using the "floor" cost of purchased gas.

SUPPLIER REFUNDS

If, as a result of any final order of the FERC or the Commission which is no longer subject to judicial review, the Utility receives a cash refund from any of its upstream pipeline transporters or suppliers which is applicable to gas sales made under this Arizona Gas Tariff, the Utility shall allocate such refund to its customers based on the therms billed during the refund period. The amount allocated to customers served under this schedule shall be used to reduce such customers' gas costs.

SPECIAL CONDITIONS

1. Prior to the establishment of service under this schedule, the customer shall execute a service agreement under mutually agreeable terms.

Schedule No. G-30

OPTIONAL GAS SERVICE*(Continued)*SPECIAL CONDITIONS *(Continued)*

5. The sales commodity charge per therm of any customer served under this schedule who requests service under an otherwise applicable gas sales schedule shall be adjusted to exclude the Gas Cost Balancing Account Adjustment for the initial 12-month sales period. After the conclusion of the initial 12-month period of receiving sales service, the customer shall be billed at the currently effective tariff rate, including the Gas Cost Balancing Account Adjustment.
6. The Utility may require six months' notice from Special Gas Procurement Agreement customers prior to returning to their otherwise applicable gas sales schedule or require the customer to pay the incremental cost of gas incurred to serve them as determined by the Utility under their otherwise applicable gas sales schedule for the following six months.

Canceling _____

A.C.C. Sheet No. 34

A.C.C. Sheet No. _____

Schedule No. G-45

STREET LIGHTING GAS SERVICE

APPLICABILITY

Applicable to gas service for continuous street or outdoor lighting in lighting devices approved by the Utility. Service under this schedule is conditional upon arrangements mutually satisfactory to the customer and the Utility for connection of customer's lighting devices to Utility's facilities. This schedule is closed to new applications for service.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The charge per month is the product of the therms per month per mantle and the commodity charge as set forth in the currently effective Statement of Rates of this Arizona Gas Tariff, and such commodity charge is incorporated herein by reference.

SPECIAL CONDITIONS

1. At its sole option, the Utility may reduce the maximum rated capacity to reflect use of automatic dimmer devices or adjustment of the lamps to operate at less than maximum rated capacity.
2. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

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Schedule No. G-50

COMPRESSION GAS SERVICE

APPLICABILITY

Service under this schedule is available to qualified Applicants requiring compressed natural gas (CNG). Compression Services will be provided by Utility ownership and operation of Compression Facilities located on Applicant's premises and will allow for the resale of CNG by qualified Applicants. Service under this Schedule is conditional upon arrangements mutually satisfactory to the Applicant and the Utility for design, location, construction, and operation of required Compression Facilities. All such arrangements will be incorporated into a Compression Services Agreement and will be separately metered.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The charge for this service will be in addition to the charges for gas delivery service required to deliver the gas to the Applicants premise. The delivery charges are set forth in the Applicant's applicable gas sales tariff schedule or the charges set forth in the Applicant's service agreement.

The Utility and Applicant will negotiate a rate structure based on the Utility's cost of service and shall recover costs including, but not limited to, depreciation, return on capital investment, income taxes, property taxes, and operational expenses. In the event of early termination of the Compression Services Agreement, the Utility shall recover from Applicant an amount based on the Utility's unrecovered ownership and removal costs and any early termination provisions in the Applicant's Compression Services Agreement.

GENERAL REQUIREMENTS

1. **APPLICANT REQUIREMENTS.** Applicant shall provide the Utility with its compression requirements.
2. **DESIGN.** The Utility will be responsible for planning, designing, procuring, installing, and constructing the Compression Facilities according to the Utility's design, engineering and construction standards.
3. **OWNERSHIP OF COMPRESSION FACILITIES.** The Compression Facilities installed under the provisions of this Schedule shall be owned, operated, and maintained by the Utility. Applicant shall own, operate, and maintain any and all equipment and facilities beyond the point of delivery of the CNG.

Canceling _____

A.C.C. Sheet No. 37

A.C.C. Sheet No. _____

Schedule No. G-50

COMPRESSION GAS SERVICE

(Continued)

GENERAL REQUIREMENTS (Continued)

4. PLACEMENT OF COMPRESSION FACILITIES AND RIGHTS-OF-WAY. Applicant shall provide an appropriate location and Protective Structures for the safe and secure placement and operation of Compression Facilities as required by the Utility. Applicant shall provide the Utility rights-of-way, leases and/or easements, as required by the Utility to install, maintain, and operate Compression Facilities on Applicant's premises and to furnish Compression Services to Applicant.
5. ACCESS TO APPLICANT'S PREMISES. The Utility shall at all times have the right of ingress to and egress from Applicant's premises for any purpose connected with the furnishing of Compression Services or other gas services and the exercise of any and all rights secured to it by law, or under this tariff . These rights include, but are not limited to:
 - a. The use of a Utility-approved locking device to prevent unauthorized access to the Utility's facilities;
 - b. Safe and ready access for Utility personnel, free from unrestrained animals;
 - c. Unobstructed ready access for the Utility's vehicles and equipment to install, operate, remove, repair, or maintain Compression Facilities; and
 - d. Removal of any and all of the Utility's property installed on or below Applicant's premises after the termination of Compression Services.
6. SERVICE CONNECTIONS. Only personnel duly authorized by the Utility are allowed to connect or disconnect Compression Facilities to or from the Point of Delivery, remove Compression Facilities, or perform any work upon Compression Facilities or the existing Utility-owned facilities.

APPLICANT RESPONSIBILITIES

In accordance with the Utility's design, specifications, and requirements for the installation, maintenance and operation of Compression Facilities, Applicant shall have the following responsibilities:

- a. Applicant shall be solely responsible for electric service and all electric bills and electric costs, including electricity to run Compression Facilities, during construction and operating periods, and all other utility services required for the construction and/or operation of the Compression Facilities.

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A.C.C. Sheet No. 37A

A.C.C. Sheet No. _____

Schedule No. G-50

COMPRESSION GAS SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

- b. Applicant shall, at Applicant's sole liability, risk and expense, plan, design, construct, install, own, maintain, and operate facilities and equipment beyond the Compression Point of Delivery in order to properly receive and dispense compressed natural gas, including, but not limited to, fast fill dispensers, time fill posts and hoses, and any required high pressure piping, fittings, valves, regulators, appliances, fixtures, and apparatus of any kind or character required for interconnection with Compression Facilities, all of which shall conform to industry standards and applicable laws, codes, and ordinances of all governmental authorities having jurisdiction, including any applicable environmental laws. Detailed information on the Utility's service equipment requirements will be furnished to Applicant by the Utility.
- c. Applicant shall make arrangements to shut down the operation of existing equipment as needed to allow the Utility to tie into existing gas piping (both on the supply side and on the high-pressure side), to tie into the electrical system to provide power to the Compression Facilities, to tie into the existing grounding system, and to tie into existing control/emergency systems.
- d. Applicant (i) shall limit access and take all necessary steps to prevent Compression Facilities from being damaged or destroyed; (ii) shall not interfere with the Utility's ongoing operation of Compression Facilities; and (iii) shall provide adequate notice to the Utility through the Utility's representative identified in the Compression Services Agreement prior to any inspection of Compression Facilities by regulatory agencies.
- e. The Utility shall incur no liability whatsoever, for any damage, loss, or injury occasioned by or resulting from:
 - i. The selection, installation, operation, maintenance or condition of Applicant's facilities or equipment; or
 - ii. The negligence, omission of proper shut-off valves or other protective and safety devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of Applicant installing, maintaining, using, operating, or interfering with its own pipes, fittings, valves, regulators, appliances, fixtures, or apparatus.
- f. Applicant shall meet all Utility requirements regarding creditworthiness and insurance.

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A.C.C. Sheet No. 37B

A.C.C. Sheet No. _____

Schedule No. G-50

COMPRESSION GAS SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

- g. Applicant shall indemnify, defend and hold harmless the Utility and its authorized officers, employees, and agents from any and all claims, actions, losses, damages and/or liability of every kind and nature in any way connected with or resulting from the violation or noncompliance with any local, state, or federal environmental law or regulation as a result of pre-existing conditions at the premises, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or groundwater, hazardous or nonhazardous, removed from the ground as a result of the Compression Services or Compression Facilities ("Pre-Existing Environmental Liability"), including, but not limited to, liability for the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs. As between Applicant and the Utility, Applicant agrees to accept full responsibility for and bear all costs associated with Pre-Existing Environmental Liability. Applicant agrees that the Utility may stop work, terminate Compression Services, redesign the Compression Facilities to a different location or take other action reasonably necessary to install the Compression Facilities without incurring any Pre-Existing Environmental Liability.
- h. Applicant shall be responsible for the additional costs required to modify or maintain Compression Facilities or to provide Compression Services due to any changes in local, state or federal laws, regulations or permit requirements.

UTILITY RESPONSIBILITIES

- a. The Utility shall plan, design, procure, install, construct, own, operate, and maintain Compression Facilities sufficient to provide Compression Services to Applicant.
- b. The Utility shall apply for any permits necessary to construct and operate the Compression Facilities; however Applicant shall be responsible, at its own cost and expense without any dollar contribution or reimbursement from Utility, for any modification(s) to premises required by any permit.
- c. The Utility or its subcontractor shall operate the Compression Facilities and shall perform all preventative maintenance, including regular inspections, on Compression Facilities consistent with the manufacturer's recommendations and regulatory requirements.

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A.C.C. Sheet No. 37C

A.C.C. Sheet No. _____

Schedule No. G-50

COMPRESSION GAS SERVICE

(Continued)

UTILITY RESPONSIBILITIES (Continued)

- d. The Utility shall remove Compression Facilities at the end of the term of the Compression Services Agreement or any extensions thereof, and Applicant shall allow the Utility a sufficient amount of time to complete removal of Compression Facilities.

SPECIAL CONDITIONS

1. Service may be denied, suspended or discontinued for nonpayment, unsafe apparatus, or other reasons in accordance with Rule No. 10, Termination of Service.
2. Any disputed bill will be treated in accordance with Rule No. 11, Administrative and Hearing Requirements.
3. All tariff rules shall apply unless they conflict with the terms of this Schedule. Whenever possible, the tariff rules and this Schedule shall be interpreted in such a way as to reconcile and give meaning to all terms therein, if reconciliation can be accomplished by any reasonable interpretation.
4. As a condition precedent to service under this schedule, a fully executed Compression Services Agreement is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. At the end of the term of the Compression Services Agreement and assuming that all required payments have been made by Applicant, the parties may mutually agree to extend the term of the Compression Services Agreement for a period to be mutually agreed upon.
6. Utility may file in the public records, including real estate records, such instruments as may be appropriate or desirable (such as UCC financing statements and fixture filings) to put others on notice of Utility's ownership of the Compression Facilities.
7. Applicant may request changes to Compression Services or Compression Facilities as a result of changes to Applicant's compression requirements at any time during the term of the Compression Services Agreement; however Utility has sole discretion whether to make any changes to Compression Services or Compression Facilities, and Applicant shall be responsible for the full costs related to any such changes in Compression Services or Compression Facilities.

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A.C.C. Sheet No. 37D

A.C.C. Sheet No. _____

Schedule No. G-50

COMPRESSION GAS SERVICE

(Continued)

DEFINITIONS

1. **COMPRESSION FACILITIES.** Facilities to be placed on Applicant's Premises in order to provide Compression Services (to be identified in Exhibit A of the Compression Services Agreement) including, but not limited to:
 - a. Compressors, gas dryers, storage vessels, and any other equipment needed to supply gas pressure to Applicant's facilities at times and levels required by Applicant's operations;
 - b. Integrated equipment that includes peripheral equipment related to Applicant's specific application; and
 - c. Other associated equipment that may be requested by Applicant and agreed to by Utility.
2. **COMPRESSION POINT OF DELIVERY.** The point where pipes owned, leased, or under license by a customer and which are subject to inspection by the appropriate city, county, or state authority connect to the Utility's compression equipment or at the high pressure side of a valve or meter, whichever is further downstream. When there is more than one high pressure valve or meter, it is the point where the pipes owned, leased, or under license by a customer and which are subject to inspection by the appropriate city, county, or state authority connect to the Utility's compression equipment that are connected to the upstream high pressure valve or meter or at the outlet side of the upstream high pressure valve or meter, whichever is further downstream.
3. **COMPRESSION SERVICES.** Compression of natural gas delivered to the Applicant by the Utility to levels agreed upon by both the Utility and Applicant through the use of Compression Facilities located on Applicant's Premises.
4. **COMPRESSION SERVICES AGREEMENT.** Agreement between Applicant and Utility describing Compression Services to be provided to Applicant and Compression Facilities to be installed by Utility, subject to this Schedule and all applicable tariff schedules as filed from time to time with the Commission.
5. **PROTECTIVE STRUCTURES.** Fences, retaining walls (in lieu of grading), barriers, posts, barricades and other structures as required by Utility, permitting agencies, or other regulations.

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P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling _____

A.C.C. Sheet No. 41

A.C.C. Sheet No. _____

Schedule No. G-60

ELECTRIC GENERATION GAS SERVICE*(Continued)*PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule. Gas service under this schedule is not available for "standby" or occasional temporary service.

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Schedule No. G-80

NATURAL GAS ENGINE WATER PUMPING GAS SERVICE

APPLICABILITY

Applicable to gas service to all customers using gas for fuel in internal combustion engines for pumping water for agricultural irrigation purposes, domestic, municipal, electric generation (excluding utility electric generation) or other mechanical purposes.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. All gas shall be supplied at a single point of delivery and measured through one meter. No other equipment may be supplied through this meter.
2. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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A.C.C. Sheet No. 45

A.C.C. Sheet No. _____

Schedule No. G-80

NATURAL GAS ENGINE WATER PUMPING GAS SERVICE*(Continued)*RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

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Vice President

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Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

1. AVAILABILITY

This schedule is available to any customer for transportation of natural gas by the Utility from an existing interconnection between the Utility and its upstream interstate pipeline suppliers (herein called Receipt Point) to the Delivery Point(s) on the Utility's system under the following conditions:

- 1.1 The Utility has available capacity to render the requested service without construction of any additional facilities, except as provided by Section 8 hereof;
- 1.2 The customer has demonstrated to the Utility's satisfaction in accordance with Section 6.8(d) hereof, the assurance of natural gas supplies and third-party transportation agreements with quantities and for a term compatible with the service being requested from the Utility. Except for customers otherwise served under Schedule No. G-55, service under this schedule is limited to: (a) customers whose average monthly requirements at one of the customer's premises on an annual basis are no less than 15,000 therms, and (b) customers whose average monthly requirements at one of the customer's premises during the months of May through September are no less than 15,000 therms. Projected transportation quantities for customers otherwise served under Schedule No. G-55 shall not be less than 50,000 therms annually at one of the customer's premises.
- 1.3 The customer and the Utility have executed a service agreement for service under this schedule. A single service agreement may provide for service to any or all of the customer's separate premises, provided that all of the premises are under common ownership.

2. APPLICABILITY AND CHARACTER OF SERVICE

This schedule shall apply to gas transported by the Utility for the customer pursuant to the executed service agreement.

- 2.1 The basic transportation service rendered under this schedule shall consist of:
 - (a) The receipt by the Utility for the account of the customer of the customer's gas at the Receipt Point; and
 - (b) The transportation and delivery of gas through the Utility's system for the account of the customer.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*3. RATES

3.1 The customer shall pay the Utility monthly the sum of the following charges:

- (a) Basic Service Charge. The basic service charge as set forth in the currently effective Statement of Rates of this Arizona Gas Tariff for each meter included in the transportation service agreement. Customers receiving service under contract rates shall pay the basic service charge as set forth in the customer's service agreement.
- (b) Demand Charge. The monthly demand charge, if applicable, shall be the product of the demand charge rate set forth in the currently effective Statement of Rates of this Arizona Gas Tariff, multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12-month period, ending two months prior to the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.
- (c) Volume Charge. The Commodity Charge per Therm less the Monthly Gas Cost of the Currently Effective Tariff Rate as set forth in the Statement of Rates of this Arizona Gas Tariff for each meter included in the transportation service agreement, plus an amount for distribution shrinkage as defined in Rule No. 1 and set forth in the Statement of Rates, Sheet No. 13 of this Arizona Gas Tariff. The amount collected for distribution shrinkage shall be recorded in the Gas Cost Balancing Account.
- (d) Gas Cost Balancing Account Adjustment. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months and amounts collected shall be recorded in the Gas Cost Balancing Account.
- (e) Incremental Upstream Pipeline Charges. Any incremental upstream pipeline charges or penalties incurred by the Utility as a result of a transportation customer's hourly or daily burn differing from its upstream interstate pipeline rights, will be included on the customer's bill for service. All such amounts collected from customers will be credited to the Gas Cost Balancing Account.
- (f) Imbalance charges as specified in Section 7 of this schedule.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

(Continued)

4. MINIMUM CHARGE

The minimum charge per month is the basic service charge per month per meter and the demand charge per month per meter, if applicable.

5. FORCE MAJEURE

5.1 Relief From Liability: Neither party shall be liable in damages to the other on account of "force majeure" occasioned by any act, omission or circumstances occasioned by or in consequence of any act of God, strikes, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, depletion of or temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or not, and not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to settle or prevent any strikes or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

5.2 Liabilities Not Relieved: Neither the customer nor the Utility shall be relieved from liability in the event of its concurring negligence or failure on its part to use due diligence to remedy the force majeure and remove the cause with all reasonable dispatch, nor shall such causes or contingencies affecting performance of any agreement relieve either party from its obligations to make payments when due in respect of gas theretofore delivered.

6. OPERATING PROCEDURES

6.1 Nominating and Scheduling of Gas Receipts and Deliveries: NAESB guidelines will be followed regarding nominating, confirming and scheduling gas receipts and deliveries as they may be revised by the FERC from time to time. The customer shall be responsible for contacting the Utility and the upstream interstate pipeline(s) to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, however, that the customer may designate one party to serve as its Agent for such purpose. The Utility and upstream interstate pipeline(s) require that specific information be provided to successfully process each nomination. It is the customer's or their Agent's responsibility to satisfy both the utility's and the pipeline's information requirements.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

(Continued)

6. OPERATING PROCEDURES (Continued)

(d) Balancing quantities nominated under the provisions of Section 6.9 herein must be separately identified in the Nomination. The Utility shall determine and notify the customer if there is sufficient operating flexibility to schedule such quantities. The Utility will only accept balancing quantities for Cycle 1 Nominations.

(e) Nominations for multiple customer premises must specify the quantity of gas to be scheduled at each of the Utility's receipt points with its upstream interstate pipeline(s). The customer or Agent must specify, prior to the flow day, the method to be used by the Utility for allocating imbalances among individual customers. If the allocation method is not specified prior to the flow day, the Utility will allocate any imbalances pro rata from the Cycle 1 Nomination.

6.2 Limitation Upon the Utility's Transportation Obligations: Customer shall cause deliveries into the Utility's system of volumes to be transported hereunder to be made at approximately a uniform rate. On any operating day, the Utility may refuse to accept quantities of gas that result in fluctuations in excess of 20 percent from the volumes transported during the previous operating day. Fluctuations in excess of 20 percent shall only be allowed if prior approval has been obtained from the Utility's dispatcher.

6.3 Records of Scheduled Quantities:

(a) The Utility shall keep accurate records of the quantities of gas scheduled for transportation and any imbalances, which records shall be made available to the customer at its request. If the customer's gas is commingled with other gas at the Receipt Point or at the Delivery Point(s), the scheduling arrangements and the Utility's records shall include procedures for the division of the total quantity at such points.

(b) On any day when a customer's metered quantity differs from the sum of the customer's scheduled transportation quantity and approved imbalance adjustment, the difference shall be balanced subject to Sections 6.9 and 7 herein.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

(Continued)

6. OPERATING PROCEDURES (Continued)

- 6.4 Arrangements Prior to Receipt and After Delivery: It shall be the customer's obligation to make arrangements with other parties for delivery of gas into the Utility's system at the Receipt Point and for receipt of gas after transportation to the Delivery Point(s). The customer shall be obligated in such arrangements to require dispatching and operating coordination by such other parties with the Utility and access to appropriate charts and records. Such arrangements must be satisfactory to the Utility.
- 6.5 Operating Information and Estimates: Upon request of the Utility, the customer shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported, including peak hour and peak day requirements, together with such other operating data as the Utility may require in order to schedule its operations.
- 6.6 Quantities: All quantities referred to in Section 6 shall be provided as MMBtus (one million British Thermal Units).
- 6.7 Deliverability: The Utility shall not be liable for its failure to deliver gas when such failure to deliver gas is due to unavailability of gas supply or interruption of third party transportation services.
- 6.8 Processing Requests for Transportation Service: Requests of transportation hereunder shall be made by, and shall be deemed to be complete upon, the customer providing the following information to the Utility:
- (a) Gas Quantities: The Maximum Hourly and Daily Quantity applicable to each Receipt Point and to each Delivery Point, and estimated total quantities to be received and transported over the delivery period must be provided for each Receipt Point and each point of delivery.
 - (b) Delivery Point(s): Point(s) of delivery by the Utility to the customer.
 - (c) Term of Service:
 - (1) Date service requested to commence; and
 - (2) Date service requested to terminate, if applicable.

SCHEDULE NO. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

6. OPERATING PROCEDURES (Continued)

6.8 Processing Requests for Transportation Service: (Continued)

- (d) Upstream Pipeline Resources: Demonstration of upstream interstate pipeline resources and services that are equivalent to the level of service requested from the Utility. A reasonable demonstration of equivalent resources and services may be made by presentation of a contract between the customer and upstream provider, an affidavit from the customer detailing the customer's confirmed upstream resources and services, or any other means acceptable to the Utility. Customers must notify the Utility immediately upon the acquisition of, or any change in, upstream interstate pipeline resources and services.

Upon receipt of all of the information specified above, the Utility shall prepare and tender to the customer for execution a transportation service agreement. If the customer fails to execute the service agreement within 30 days of the date tendered, the customer's request shall be deemed null and void.

- 6.9 Balancing: Notwithstanding all other provisions of this schedule, customers must endeavor to schedule supplies at the Utility's Receipt Points that match the customer's demands. Imbalances, defined as the difference between metered quantity and scheduled transportation quantity, established in excess of the customer's applicable daily or monthly operating windows, will be subject to imbalance charges as set forth in Section 7 of this schedule. Any imbalance (plus or minus) carried forward, as well as any Utility-approved imbalance nomination, shall be considered first through the meter during the next applicable daily or monthly period.

- (a) Daily Balancing: Transportation customers are provided a daily operating window under which the customer's daily imbalance must be within plus or minus 25 percent ($\pm 25\%$) of the daily scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity, or 35,000 therms, whichever is greater. If, in the Utility's sole good faith judgment, operating conditions permit and upon request from the customer, the Utility will increase the daily operating window.

The Utility may reduce a transportation customer's daily operating window as necessary to protect system integrity or to respond to upstream pipeline conditions. The daily window will be adjusted pursuant to the following conditions:

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

6. OPERATING PROCEDURES (Continued)

6.9 Balancing: (Continued)

- (1) The Utility will notify the customer(s) of any adjustments as soon as possible on the day prior to the day of gas flow; however, the Utility reserves the right to notify the customer(s) of adjustments to the daily window at any time.
- (2) Notice will be provided electronically and/or by other means mutually acceptable to the Utility and the Customer. The notice will contain (1) the starting time and degree of adjustment to the daily window, (2) the anticipated duration of the adjustment to the daily window, (3) the extent and reason(s) for the adjustment. The Utility will notify the transportation customer(s) immediately upon relief from conditions requiring adjustment to the daily window.
- (3) If a transportation customer's daily imbalance exceeds the adjusted daily window (excess volumes), in addition to the Utility's imbalance charges as set forth in Section 7, the transportation customer(s) will be charged a pro rata share of any upstream pipeline charges and/or penalties that were incurred by the Utility for such excess volumes. Any charges collected pursuant to this provision will be credited to the Gas Cost Balancing Account. The Utility shall not assess imbalance charges more than once on the same volumes of excess deliveries.

- (b) Monthly Balancing: Transportation customers are provided a monthly operating window under which the customer's cumulative daily imbalances must be within plus or minus five percent ($\pm 5\%$) of the month's total of daily scheduled transportation quantities, including any Utility-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater.

- 6.10 Adjustments: Periodically, volume adjustments may be made by Upstream Interstate Pipeline Suppliers or the customer's Agent. In such instances, the daily quantities invoiced will be compared with the customer's daily scheduled transportation quantities. Should adjustments to the customer's scheduled transportation quantities become necessary, such adjustments will be reflected in the month in which the quantities were actually scheduled for purposes of administering this schedule.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

7.1 Imbalance Trading: (Continued)

- (b) Trading of imbalance quantities may not reduce a customer's monthly imbalance beyond a zero imbalance level. A customer may not trade to establish an imbalance in the opposite direction of the customer's original imbalance.
- (c) Once customers have agreed on the terms of a trade, both parties must complete, and send to the Utility by a Utility-approved method, a copy of the Imbalance Trading Request Form (Form No. 879.0). The Utility will then validate the trade and adjust the participants' accounts. The Imbalance Trading Request Form must be received by the Utility within twenty-four (24) hours of the close of the trading period. No confirmation of an imbalance trade will be made until signed forms are received via a Utility-approved method from both parties. The customer is solely responsible to monitor Southwest Vista to confirm whether the trade is validated.
- (d) After the imbalance trading period, excess imbalance charges (see Sections 7.2 and 7.3) will be applied to all imbalance quantities in excess of the applicable monthly operating window.
- (e) Cumulative imbalances for customers with multiple meters under a single transportation service agreement will be determined by subtracting the customer's aggregated metered volume, including the effect of any adjustment for cycle billing, from the total volume scheduled under the customer's service agreement. Imbalances will be allocated between the customer's meters based on metered volumes, including the effect of any adjustment for cycle billing. Customers with multiple meters will not be allowed to trade imbalances based on individual meters or sales accounts.
- (f) The customer is solely responsible for contacting other transportation customers to explore opportunities for trading imbalances.
 - (1) Southwest Gas assesses its transportation volume charges based on the transportation billing quantities, adjusted for any volumes traded pursuant to this section.
 - (2) It is the customer's sole responsibility to consider all gas supply, interstate and intrastate cost impacts when transacting imbalance trades.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

7.1 Imbalance Trading: (Continued)

- (g) If, as the result of a billing error, metering error, or adjustments of scheduled supply, a customer trades an incorrect imbalance quantity based on notification by the Utility, the Utility will not be liable for any financial losses or damages incurred by customer nor will the Utility be financially liable to any of the customer's imbalance trading partners. If, as a result of such error, the Utility overbills the customer, the Utility shall refund the difference without interest. If the Utility underbills the customer, the customer shall be liable for the undercharge, including any associated excess imbalance charges. For purposes of determining imbalances and any applicable charges hereunder, the Utility will include billing adjustments to the volume in prior periods as part of the current month's activity. Trades occurring in prior periods will not be affected by such billing adjustments.

7.2 Payment for Excess Imbalances:

Customers will be assessed imbalance charges if an imbalance exists in excess of applicable daily or monthly operating windows set forth in Section 6.9 hereof. (Monthly imbalances will be adjusted to reflect imbalance trading activity before assessing any imbalance charge.) The customer's daily imbalance is defined as the difference between the customer's daily metered quantities and the sum of the customer's daily scheduled transportation quantity plus any Utility-approved daily imbalance adjustment quantity. The customer's monthly imbalance is defined as the difference between the customer's total monthly metered quantity, including the effect of any adjustment for cycle billing of the customer's meters, and the customer's total monthly scheduled transportation quantity. The portion of any imbalance quantity established by a customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. In addition to the charges payable under this schedule and the customer's otherwise applicable sales schedule, any monthly excess imbalance quantity shall be billed as follows:

(a) Positive Excess Imbalance

When the customer's scheduled transportation quantity (plus any approved daily imbalance adjustment quantity for daily imbalances) exceeds the customer's metered quantity by more than the applicable daily or monthly operating window, the excess imbalance shall be retained by the Utility and the excess imbalance eliminated after the customer's bill is credited with any respective unit transportation rate assessments plus the lower of the following two gas costs for each therm retained:

Schedule No. SB-1

STANDBY GAS SERVICE

APPLICABILITY

Applicable to gas service to customers for stand-by service or as a back-up energy resource when the customer's requirements cannot be adequately served under the Utility's otherwise applicable gas sales tariff schedules.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

Basic Service Charge: The basic service charge shall be that set forth in the customer's service agreement.

Reservation Charge: The reservation charge per month shall be the maximum daily therms sold to the customer under this rate schedule during the most recent 12-month period or those set forth in the customer's service agreement (hereinafter referred to as "maximum daily quantity") at an individual rate negotiated and agreed upon by the customer and the Utility times 30 days. This charge shall not be less than costs incurred by the Utility to provide this service.

If, on any day, the customer exceeds the maximum daily quantity by an amount over 3 percent of such quantity, the customer will pay for such excess volumes at the above negotiated reservation charge rate. The customer's total purchased volumes for that day shall establish a new maximum daily quantity, until such time as a substitute quantity may be negotiated between customer and the Utility.

Schedule No. SB-1

STANDBY GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

4. In the event any customer served under this rate schedule elects to receive service under their otherwise applicable gas sales tariff schedule, such customer may receive service pursuant to terms and conditions normally available to new customers under the Utility's Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision shall apply to all schedules except for Rate Schedule Nos. G-30, G-80 and SB-1 of this Arizona Gas Tariff.

CHANGE IN RATES

The Monthly Gas Cost (MGC) rate for schedules covered by this provision includes the sum of the rolling twelve-month average purchased gas (PGA) rate plus the Gas Cost Balancing Account Adjustment, if applicable. Monthly adjustments will be made to the MGC to reflect the most currently available PGA rate. In accordance with Decision No. 70665, the PGA rate included in the MGC rate cannot be more than \$.15 per therm different than any PGA rate in effect during the preceding 12 months.

BANK BALANCE

The Utility shall establish and maintain a Gas Cost Balancing Account, if necessary, for the schedules subject to this provision. Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) an amount determined by multiplying the Monthly Gas Cost Rate as set forth on Sheet Nos. 11 and 12 of this Arizona Gas Tariff by the therms billed during the month under the applicable schedules of this Arizona Gas Tariff.
2. A debit or credit entry for refunds or payments authorized by the Commission.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the monthly one-year nominal Treasury constant maturities rate.

**SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION**

(Continued)

MONTHLY INFORMATIONAL FILINGS

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by the Commission. Additionally, the Utility shall file revised tariff sheets that include the current month's MGC rate.

ADDITIONAL REQUIREMENTS

Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or one percent (1%) of total annual purchases.

The Gas Cost Balancing Account (GCBA) balance will be evaluated monthly and the GCBA Adjustment will be established pursuant to Commission Decision No. 74595 (Docket No. G-01551A-14-0148).

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____
Decision No. _____

SOUTHWEST GAS CORPORATION

PROPOSED TARIFF SHEET

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling _____

A.C.C. Sheet No. 89

A.C.C. Sheet No. _____

HELD FOR FUTURE USE

D

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____ T
Decision No. _____

SPECIAL SUPPLEMENTARY TARIFF
LOW INCOME RATE ASSISTANCE (LIRA) RATE ADJUSTMENT PROVISION

APPLICABILITY

Applicable to all gas delivered by the Utility to all customers served under Rate Schedule Nos. G-5, G-6 and G-20.

RATES

The unit LIRA rate adjustment is set forth in the currently effective Statement of Rates, Footnote 3, of Sheet No. 14 of this Arizona Gas Tariff and is incorporated herein by reference.

CHANGES IN RATES

Rates applicable to each schedule of this Arizona Gas Tariff subject to this provision shall be adjusted for changes in the LIRA Balancing Account's balance in accordance with the rate adjustment provisions hereof such that the Utility will be reimbursed for all LIRA discounts, plus interest and administrative expenses.

ADJUSTMENT DATE

The LIRA rate adjustment shall be updated annually effective May 1.

RATE ADJUSTMENT PROVISIONS

Calculation of the LIRA rate adjustment shall include:

1. The LIRA program benefits provided during the prior Winter Season.
2. Incremental administrative and general expenses associated with the LIRA program.
3. The amounts accumulated in the LIRA Balancing Account as described below at the end of the latest available recorded month prior to the applicable Adjustment Date.
4. The sum of paragraphs (1), (2), and (3) above divided by the most recent 12 month's applicable sales volumes shall be the LIRA rate adjustment amount.

SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION

APPLICABILITY

The Energy Efficiency Enabling Provision (EEP) applies to residential Rate Schedule Nos. G-5, G-6, G-10 and G-11 and to General Service Schedule Nos. G-25(Small), G-25(Medium), G-25(Large-1) and G-25(Large-2) included in this Arizona Gas Tariff. The EEP specifies the accounting procedures and rate setting adjustments necessary to assure the Utility neither over-recovers, nor under-recovers, the margin-per-customer amounts authorized in its most recent general rate case proceeding.

EEP WEATHER ADJUSTMENT

The EEP Weather Adjustment accounts for variations between the actual temperatures and normal temperatures for each winter day in the customer's billing cycle. When actual temperatures are colder than normal, the delivery charge portion of customer bills will be adjusted downward to reflect what the customer would have used under normal temperature conditions. When actual temperatures are warmer than normal, the delivery charge portion of customer bills will be adjusted upward to reflect what the customer would have used under normal temperature conditions. Weather is quantified in Heating Degree Days (HDD). HDD is defined as the difference between 65 degrees Fahrenheit and the average daily temperature when the average daily temperature is below 65 degrees. When the average daily temperature is equal to or greater than 65 degrees, there are zero HDD. The EEP Weather Adjustment will apply to consumption during the Winter Season. Two analyses are performed to determine customers' weather sensitive use; and analysis of the customer's current billing cycle and an analysis of the customer's multi-season billing data.

1) BILLING CYCLE ANALYSIS

The billing cycle analysis uses the customer's current billing cycle HDD variance and billing cycle use per HDD to determine weather sensitive gas use and to calculate the billing cycle analysis volume adjustment.

A. Determine Billing Cycle HDD Variance

| | | |
|--------------|---|---|
| Normal HDD | = | The sum of the ten-year average HDDs for each day in the customer's billing cycle |
| Actual HDD | = | The sum of the actual HDDs for each day in the customer's billing cycle |
| HDD Variance | = | Normal HDDs less the Actual HDDs |

SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION

(Continued)

B. Determine Billing Cycle Use per HDD

Billing cycle use per HDD is calculated for each customer bill by subtracting the customer's billing cycle base load volume from current monthly metered use and dividing the difference by the billing cycle actual HDDs.

Billing cycle base load volume is equal to the customer's base load volume per day multiplied by the number of days in the customer's billing cycle. Base load volume per day for each customer is used to establish monthly non-temperature sensitive usage. The base load volume per day is equal to the customer's lowest average daily use for the Summer Season billing periods. Average daily use is the customer's total monthly use divided by the number of days in the billing cycle. For new customers, base load volume per day will be the average base load volume per day in the customer's operating district.

C. Calculate Billing Cycle Analysis Volume Adjustment

The billing cycle analysis volume adjustment is calculated by multiplying the customer's billing cycle HDD variance by the billing cycle use per HDD.

2) MULTI-SEASON ANALYSIS

The multi-season analysis uses billing data from the previous 24 months to determine weather sensitive gas use and to calculate the multi-season analysis volume adjustment. A linear regression is used to compare the customer's historical monthly metered use to the actual weather in each billing cycle to determine use per HDD. The multi-season analysis volume adjustment is calculated by multiplying the result of the linear regression by the billing cycle HDD variance for the customer's current billing cycle.

3) BILL ADJUSTMENT

The EEP Weather Adjustment for each customer bill is calculated by multiplying the applicable volume adjustment by the Delivery Charge component of the customer's Commodity Charge. For each customer, the applicable volume adjustment is whichever of the following three quantities is the closest to zero: 1) the billing cycle analysis volume adjustment, 2) the multi-season analysis volume adjustment or 3) the customer's current monthly metered use.

**SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION**

(Continued)

3) BILL ADJUSTMENT

The EEP Weather Adjustment for each customer bill is calculated by multiplying the applicable volume adjustment by the Delivery Charge component (as shown in the Statement of Rates) of the customer's Commodity Charge. The EEP Weather Adjustment will be applied to the customer's Delivery Charge or Usage Charge revenue calculated on metered volumes. For each customer, the applicable volume adjustment is whichever of the following three quantities is the closest to zero: 1) the billing cycle analysis volume adjustment, 2) the multi-season analysis volume adjustment or 3) the customer's current monthly metered use.

However, in instances where the customer's billing cycle base load volume is greater than the customer's current monthly metered use or the sum of the actual HDDs in the customer's current billing cycle is equal to zero, the volume adjustment will be equal to zero and there will be no EEP Weather Adjustment to the customer's bill.

EEP ANNUAL ADJUSTMENT

The EEP Annual Adjustment recovers or refunds any differences between the Utility's billed margin and the margin amounts authorized in its most recent general rate case proceeding. The process is set forth below.

1) EEP BALANCING ACCOUNT

The Utility shall maintain accounting records that accumulate the difference between authorized and actual billed margin. Entries shall be recorded to the EEP Balancing Account (EEPBA) each month as follows:

- A. A debit or credit entry equal to the difference between authorized margin and actual billed margin for each rate schedule subject to this provision. Authorized margin is the product of the monthly margin-per-customer authorized in the Utility's last general rate case, as stated below, and the actual number of customers billed during the month.

| | <u>G-5</u> | <u>G-6</u> | <u>G-10</u> | <u>G-11</u> |
|-----------|------------|------------|-------------|-------------|
| January | \$ 60.93 | \$ 32.12 | \$ 52.88 | \$ 33.64 |
| February | \$ 54.03 | \$ 30.52 | \$ 49.23 | \$ 33.11 |
| March | \$ 40.36 | \$ 25.38 | \$ 36.12 | \$ 26.65 |
| April | \$ 28.78 | \$ 20.85 | \$ 24.21 | \$ 20.47 |
| May | \$ 22.39 | \$ 18.28 | \$ 18.63 | \$ 17.41 |
| June | \$ 19.69 | \$ 17.19 | \$ 16.43 | \$ 16.23 |
| July | \$ 17.60 | \$ 15.95 | \$ 14.74 | \$ 14.57 |
| August | \$ 17.06 | \$ 15.48 | \$ 14.17 | \$ 13.99 |
| September | \$ 17.44 | \$ 15.74 | \$ 14.44 | \$ 14.34 |
| October | \$ 18.17 | \$ 15.95 | \$ 15.01 | \$ 14.40 |
| November | \$ 22.14 | \$ 17.80 | \$ 18.99 | \$ 16.57 |
| December | \$ 40.56 | \$ 25.70 | \$ 36.81 | \$ 26.45 |

**SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION**

(Continued)

| | <u>G-25(S)</u> | <u>G-25(M)</u> | <u>G-25(L1)</u> | <u>G-25(L2)</u> |
|-----------|----------------|----------------|-----------------|-----------------|
| January | \$ 87.14 | \$ 252.13 | \$ 979.96 | \$ 3,759.54 |
| February | \$ 74.65 | \$ 239.03 | \$ 968.60 | \$ 3,635.94 |
| March | \$ 56.83 | \$ 206.80 | \$ 866.83 | \$ 3,283.14 |
| April | \$ 41.84 | \$ 165.76 | \$ 713.84 | \$ 2,784.79 |
| May | \$ 36.70 | \$ 143.27 | \$ 583.49 | \$ 2,439.86 |
| June | \$ 35.03 | \$ 130.41 | \$ 516.67 | \$ 2,182.89 |
| July | \$ 33.72 | \$ 117.22 | \$ 452.24 | \$ 1,988.58 |
| August | \$ 33.30 | \$ 114.61 | \$ 432.01 | \$ 1,922.84 |
| September | \$ 33.76 | \$ 119.98 | \$ 449.37 | \$ 1,930.35 |
| October | \$ 34.08 | \$ 123.80 | \$ 475.58 | \$ 2,095.33 |
| November | \$ 37.47 | \$ 144.80 | \$ 571.09 | \$ 2,433.38 |
| December | \$ 56.40 | \$ 202.00 | \$ 870.97 | \$ 3,361.81 |

B. A debit or credit entry equal to the therms billed during the month under the schedules subject to this provision multiplied by the EEP Annual Adjustment Rate.

C. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the monthly one-year nominal Treasury constant maturities rate.

2) EEP ANNUAL ADJUSTMENT RATE

The EEP Annual Adjustment Rate applicable to each schedule subject to this provision shall be revised annually to reflect the difference between the margin-per-customer authorized in the utility's last general rate case and the margin billed. The EEP Annual Adjustment Rate will be calculated by dividing the balance in the EEPBA by the most recent 12-month volume of natural gas for the customer class included in the EEP.

3) AMOUNTS RECOVERED AND REFUNDED

The Utility is prohibited from recovering any under-collections in the EEPBA to the extent that recovery would increase earnings such that the Company would be earning more than its authorized return on common equity. In addition, the amount of deferred amounts to be recovered in any amortization period shall not exceed five percent (5%) of the test year average non-gas revenue per customer. Deferred amounts exceeding five percent of the test year average non-gas revenue per customer will be carried forward for recovery in the next year and subsequent years with no carrying charges. One-hundred percent (100%) of over-collected balances in the EEPBA will be refunded, without limitation, over the next amortization period.

RULE NO. 1

DEFINITIONS

For the purpose of these Tariffs, the terms and expressions listed below shall have the meanings set forth opposite:

| | |
|---------------------------------|---|
| Advance in Aid of Construction: | Funds provided to the Utility by an applicant for service under the terms of a main extension agreement, the amount of which may be refundable. |
| Agent: | Any party a customer may contract with for purposes of administering the customer's service agreement with the Utility excluding the right for the Agent to be billed directly by the Utility. An Agent has only those rights designated in writing by such customer for the effective time period. |
| Alternate Fuel Capability: | A situation where an alternate fuel can be utilized whether or not the facilities for such use have actually been installed. |
| Applicant: | A person requesting the Utility to supply natural gas service. |
| Application: | A request to the Utility for natural gas service, as distinguished from an inquiry as to the availability or charges for such service. |
| Arizona Corporation Commission: | The regulatory authority of the State of Arizona having jurisdiction over the public service corporations operating in Arizona. |
| Average Month: | 30.4 days. |
| Base Gas Supply: | Natural gas purchased by the Utility from its primary supplier. |
| Basic Service Charge: | A fixed amount a customer must pay the Utility for the availability of gas service, independent of consumption, as specified in the Utility's tariffs. |
| Billing Month: | The period between any two regular readings of the Utility's meters at intervals of approximately 30 days. |
| Billing Period: | The time interval between two consecutive meter readings that are taken for billing purposes. |

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|--------------------------------------|---|
| Commission: | See "Arizona Corporation Commission." |
| Commodity Charge: | The charge per unit of billed usage, as set forth in the Utility's tariffs. |
| Compressed Natural Gas (CNG): | Utilization of natural gas as a vehicle fuel by compressing the natural gas to high pressures and storing the compressed gas in a tank contained within the vehicle. |
| Connected Load: | The sum of the burner capacities of all of the customer's natural gas appliances. |
| Contribution In Aid of Construction: | Funds provided to the Utility by an applicant for service under the terms of a main extension agreement and/or service connection tariff, the amount of which is not refundable. |
| Correctional Facility Users: | A facility, the primary function of which is to house, confine, or otherwise limit the activities of a person who has been assigned to such facility as punishment by a court of law. |
| Cost of Ownership: | Includes return on investment, taxes and depreciation. |
| Cubic Foot: | <ol style="list-style-type: none">1. In cases where natural gas is supplied and metered to customers at the standard delivery pressure, a cubic foot of gas is the volume of gas which, at the temperature and pressure existing in the meter, occupies 1 cubic foot.2. Regardless of the pressure supplied to the customer, the volume of gas metered will be converted to the volume which the gas would occupy at standard conditions of 14.73 pounds per square inch absolute at 60°F. |

RULE NO. 1

DEFINITIONS

(Continued)

| | |
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| Daily Nomination: | A Nomination submitted to the Utility for one or more Gas Days. Daily Nominations must be submitted at least one calendar day prior to the effective Gas Day, subject to the provisions outlined in Section 6.1 of Schedule No. T-1. |
| Daily Operating Window: | A transportation operating constraint governing the allowable daily difference between the customer's metered quantity and the sum of the customer's scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity. |
| Date of Presentation: | The mailing date shown upon a bill or notice. |
| Day: | Calendar day. |
| Distribution Customer: | Any customer who purchases gas from the Utility pursuant to the Utility's tariffs solely for his own use and not for resale. |
| Distribution Main: | A gas line of the Utility to which service lines may be attached. |
| Domestic Customer: | Where the entire consumption of natural gas is in the living quarters of the customer. |
| Elderly: | A person who is 62 years of age or older. |
| Electronic Bill/Statement: | A regular bill or statement that is presented to the customer electronically. |
| Electronic Billing: | Also referred to as "Paperless Billing." A billing option residential customers may elect whereby the customer receives, views, and pays their gas bill electronically. |

RULE NO. 1

DEFINITIONS

(Continued)

Inability to Pay:

Circumstances where a residential customer:

1. Is not gainfully employed and unable to pay, or
2. Qualifies for government welfare assistance, but has not begun to receive assistance on the date that he receives his bill and can obtain verification from the government welfare assistance agency, or
3. Has an annual income below the published federal poverty level and can produce evidence of this, and
4. Signs a declaration verifying that he meets one of the above criteria and is either elderly, handicapped, or suffers from an illness.

Industrial Boiler Fuel:

Natural gas used in a boiler as a fuel for the generation of steam or electricity.

Industrial Customer:

A customer who is engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, excluding electric power generation.

Intra-day Nomination:

A Nomination submitted after the nominating deadline for Daily and Standing Nominations specified in Section 6.1 of Schedule No. T-1 which has an effective time no earlier than the beginning of the next Gas Day, and which has an ending time no later than the end of that Gas Day.

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|-------------------------------------|--|
| Inter-Divisional Capacity Transfer: | A mechanism by which the unused off-peak interstate capacity of one of the Utility's divisions is utilized by another of the Utility's divisions to procure and transport otherwise inaccessible economically priced gas. The division owning the off-peak capacity receives benefit in the form of credits to its Gas Cost Balancing Account. The division utilizing the off-peak capacity receives benefit through reduction in its purchased gas costs. |
| Input Rating: | The number of Btus specified on the appliance rating tag needed to operate the appliance. Normally expressed in Btus per hour. |
| Irrigation Customer: | Where natural gas is utilized by internal combustion engines for agricultural irrigation purposes. |
| Law: | A rule or rules as established and enforced by government authorities. |
| Main Extension: | The addition of pipe to an existing main to provide service to new customers. |
| Margin: | The currently effective commodity delivery charges multiplied by the units of gas used, plus the Demand Delivery charges multiplied by the billing determinant, if applicable, plus the basic service charge is the margin. |
| Master Meter Customer: | A customer who receives gas at a central point and distributes said gas through a piping system not owned and operated by the Utility to tenants or occupants for their individual consumption. |
| Mcf: | One thousand (1,000) cubic feet. |
| Leak Check: | A pressure test of the customer's piping using natural gas at standard delivery pressure as the test medium, or, in the judgment of the utility, at a higher pressure. |

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RULE NO. 1

DEFINITIONS

(Continued)

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| Service Establishment Charge: | A charge as specified in the Utility's tariffs for establishing a new account. |
| Service Line: | A natural gas pipe that transports gas from a common source of supply (normally a distribution main) to the point of delivery. |
| Service Line Extension: | Consists of a service line provided for a new customer at a premise not heretofore served, in accordance with the service line extension rule. |
| Service Reconnect Charge: | A charge as specified in the Utility's tariffs which must be paid by the customer prior to reconnection of natural gas service each time the service is disconnected for nonpayment or whenever service is discontinued for failure to comply with the Utility's tariffs. |
| Service Reestablishment Charge: | A charge as specified in the Utility's tariffs for service at the same location where the same customer had ordered a service disconnection within the preceding 12-month period. |
| Shrinkage: | The cost of the gas volumes lost, unaccounted for, or used as company fuel in the transportation process and represented by the differential between the cost of gas on a sales basis and the cost of gas on a purchased basis. |
| Shrinkage Rate: | The rate used to recover the cost of shrinkage from non-exempt transportation customers. |
| Single-Family Residential: | A permanent residential dwelling, excluding multi-family residential structures. |
| Southwest Vista: | A fully integrated website that allows for the Utility's Transportation customers and designated agents the ability to submit Transportation nominations to the interstate pipelines. Users may also have the ability to view monthly volume statements, master detail reports, Transportation pipeline charges allocated to them from the Utility, and informational reports. |

RULE NO. 1

DEFINITIONS
(Continued)

| | |
|-----------------------------|---|
| Standard Delivery Pressure: | 0.25 pounds per square inch gauge at the meter or point of delivery. |
| Standard Mantle: | A mantle which consumes a maximum of 2.6 cubic feet of gas per hour. |
| Standing Nomination: | A Daily Nomination which is effective for multiple Gas Days. Standing Nominations cannot exceed the term of the customer's Transportation Service Agreement. A Standing Nomination can be replaced by a new Daily Nomination or Intra-day Nomination; however, upon the expiration of such replacement Nomination, the Standing Nomination becomes effective again. |
| Storage Injection Gas: | Natural gas injected by a distributor into storage for later use. |
| Subdivision: | An area for single family dwellings which may be identified by filed subdivision plans. |
| Summer Season: | The eight-month period beginning April 1 and ending November 30. |
| Supplemental Gas Supply: | Natural gas purchased by the Utility from all sources other than the base gas supply. |
| Supply Curtailment: | A condition occurring when the demand for natural gas exceeds the available supply of gas. This condition can occur due to supply failure or upstream pipeline capacity curtailment. |
| Tariffs: | The documents filed with and approved by the Commission which list the rules, regulations, services and products offered by the Utility and which set forth the terms and conditions and a schedule of the rates and charges for those services and products. |
| Tariff Sheets: | The individual sheets included in the tariff. |

RULE NO. 1

DEFINITIONS
(Continued)

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|----------------------------------|--|
| Temporary Service: | Service to premises or enterprises which will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative character is also considered temporary service. |
| Therm: | A unit of heating value, equivalent to 100,000 British thermal units (Btus). |
| Third-Party Notice: | A notice sent to an individual or a public entity willing to receive notification of the pending discontinuance of service to a customer of record in order to make arrangements on behalf of said customer satisfactory to the Utility. |
| Transmission Main: | A pipeline installed for the purpose of transmitting gas from a source of supply to distribution center, storage facility or large volume customer(s). |
| Transportation Billing Quantity: | A customer's monthly scheduled transportation quantity or, if transportation service is provided at separate premises under a single service agreement, the sum of a customer's metered quantities, including the effect of any adjustment for cycle billing. |
| Transportation Customer: | A customer who meets the applicability provisions of the transportation tariff and elects to purchase gas from a supplier other than the Utility. The Utility provides the service of delivering the customer's gas from the interconnect with the upstream pipeline to the customer's facility. |
| Utility: | The public service corporation providing gas service to the public in compliance with state law. |

RULE NO. 1

DEFINITIONS
(Continued)

| | |
|---|--|
| Utility's Operating Convenience: | This term refers to the utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations. It does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities. |
| Weather Especially Dangerous to Health: | That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanographic and Administration Service, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast. The Commission may determine that other weather conditions are especially dangerous to health as the need arises. |
| Winter Season: | The four-month period beginning December 1 and ending March 31. |
| Workday: | The time period between 8 a.m. and 5 p.m., Monday through Friday, excluding holidays. |

RULE NO. 4

MINIMUM CUSTOMER INFORMATION REQUIREMENTS
(Continued)

B. INFORMATION FOR RESIDENTIAL CUSTOMERS (Continued)

- c. Billing and collection
- d. Complaint handling
- 3. The Utility, upon request of the customer of record, shall transmit a written statement of actual consumption by such customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.
- 4. The Utility shall determine the most applicable tariff for the customer and notify the customer of such prior to service commencement.
- 5. The Utility shall inform all new customers of their rights to obtain the information specified above.

C. INFORMATION REQUIRED DUE TO BASE TARIFF RATE CHANGES

The Utility shall notify the affected customers of any base tariff rate change.

D. CHANGE OF TARIFF SCHEDULE BY CUSTOMER

Should a customer be eligible and elect to take service under a different applicable rate schedule, the change will become effective after the regular meter reading next following the date of such request. The Utility may refuse to permit such a change unless service has been established under the current tariff schedule for a period of not less than 12 months, except customers served under Schedule Nos. G-30 and SB-1 need only have taken service for a period of not less than six months, and except such change will be permitted when an applicable new or revised tariff schedule is first put into effect or the customer's operations have changed so as to justify immediate transfer to a different schedule. It is the customer's responsibility to notify the Utility of changes in their load requirements.

RULE NO. 5

MASTER METERING

A. MOBILE HOME PARKS -- NEW CONSTRUCTION/EXPANSION

1. The Utility will not accept any application for master-metered service to a master-metered mobile home park (MMP) after September 24, 1980.
2. The Utility shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is to be individually metered by the Utility. Main extensions and service line connections to serve such new construction or expansion shall be governed by the main extension and/or service line connection tariff of the Utility.
3. Permanent residential mobile home parks for the purpose of this rule shall mean mobile home parks where, in the opinion of the Utility, the average length of residency is a minimum of six months.
4. For the purposes of this rule, expansion means construction which has been started for additional permanent residential spaces subsequent to the effective date of this rule.
5. Requests to serve MMP through individual residential meters where the MMP is currently or was formerly served under a MMP schedule shall be considered by the Utility in accordance with Rule No. 6, Section B.

RULE NO. 6

SERVICE AND MAIN EXTENSIONS
(Continued)

B. SERVICE AND MAIN EXTENSIONS TO APPLICANTS FOR SERVICE (Continued)

3. If the residential customers are tenants in a fully improved MMP and the MMP is currently or was formerly served under a MMP schedule, the allowable investment for the MMP will be determined by the following formula:

$$AI = (FR - CR) \times 5$$

where:

$$AI = \text{Allowable Investment}$$

$$FR = \text{The MMP's estimated future total annual revenue, assuming conversion to individual residential service, using the MMP's average park occupancy for the past two years, less the Utility's current average cost of purchased gas to serve the MMP as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 12 of this Arizona Gas Tariff.}$$

$$CR = \text{The MMP's current total annual revenue, under the applicable MMP schedule, averaged for the past two years, less the Utility's current average cost of purchased gas to serve the MMP as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 12 of this Arizona Gas Tariff. If the MMP is not a current customer of the Utility, the CR will be determined on the basis of engineering estimates of occupancy and usage.}$$

The Utility will install that portion of each service in excess of the allowance subject to a nonrefundable contribution to be paid prior to construction by the applicant MMP. In no event shall costs above the allowable investment be borne by the Utility.

4. Incremental Contribution Method - Gas service and main line extensions will be made by the Utility at its expense for the allowable investment as calculated by an Incremental Contribution Study.

Canceling _____

A.C.C. Sheet No. 197

A.C.C. Sheet No. _____

RULE NO. 6

SERVICE AND MAIN EXTENSIONS
(Continued)

B. SERVICE AND MAIN EXTENSIONS TO APPLICANTS FOR SERVICE (Continued)

- a. Allowable investment shall mean a determination by the Utility that the revenues less the incremental cost to serve the applicant customer provides a rate of return on the Utility's investment no less than the overall rate of return authorized by the Commission in the Utility's most recent general rate case.
- (1) When evaluating potential new-construction multi-family projects, consideration shall be provided for a Utility contribution to the customer for the purpose of offsetting costs incurred for the installation of gas piping in the premise in such cases where the design cost as calculated using the incremental contribution method provides a rate of return on the Utility's investment in excess of the overall rate of return authorized by the Commission in the Utilities most recent general rate case.
- (2) Any contribution provided by the Utility for this purpose shall not exceed the actual cost, nor cause the rate of return on the Utility's investment to be less than the authorized rate of return described above in part (a).
- (3) The Customer shall be responsible for the installation and maintenance of all facilities beyond the point of delivery.
- b. The Utility, after conducting an Incremental Contribution Study may, at its option, extend its facilities to customers whose usage does not satisfy the definition of Economic Feasibility but who otherwise are Permanent Customers provided such customer signs an extension agreement and advances as much of the cost, and/or agrees to pay a nonrefundable Facility Charge necessary to make the extension economically feasible.

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____
Decision No. _____

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RULE NO. 6

SERVICE AND MAIN EXTENSIONS*(Continued)*B. SERVICE AND MAIN EXTENSIONS TO APPLICANTS FOR SERVICE *(Continued)*

- c. Customers provided with line extensions using the Incremental Contribution Method shall be reviewed annually to determine the amount of any refund as follows:

- (1) For a period of five years except as in Item (2) below.
- (2) For a period of ten years for feeder mains to serve master-planned subdivisions.

5. Method of Refund

Amounts advanced by the applicant in accordance with this rule, less any unpaid Facility Charges, shall be refunded, without interest, in the following manner:

- a. Refunds of an advance shall be made for each additional separately metered permanent service connected to the main extension for which an advance was collected when an excess allowable investment is calculated by the Incremental Contribution Study for the additional customer(s).
- b. No refunds will be made for additional customers connecting to a further extension or series of extensions constructed beyond the original extension.

Canceling _____

A.C.C. Sheet No. 199

A.C.C. Sheet No. _____

RULE NO. 6

SERVICE AND MAIN EXTENSIONS
(Continued)

C. SERVICE AND MAIN EXTENSIONS TO SERVE INDIVIDUALLY-METERED
SUBDIVISIONS, TRACTS, HOUSING PROJECTS, MULTI-FAMILY DWELLINGS
AND MOBILE HOME PARKS OR ESTATES (Continued)

- b. When a subdivider/builder/developer is building a project in consecutive phases such that each phase is constructed separately and requires separate advances, unused allowances from one phase may be applied to an outstanding advance in any other phase so long as such outstanding advance is still eligible for refund.
- c. See Rule No. 6, Section B.3 for governing requests to serve MMP through individual residential meters if the MMP is currently or was formerly served under a MMP schedule.

D. RESIDENTIAL AMORTIZATION PROGRAM

The Utility shall establish a residential amortization program for the purpose of amortizing the portion of the cost of main and service extensions in excess of the Utility's allowable investment in those instances where such excess cost presents an undue burden upon the customer if paid as a lump sum. This program may be offered to groups of ten or more direct residential customers which are judged by the Utility to be of a permanent and continuing nature. Pursuant to the program, main and service line extension contracts may be established to amortize that portion of an extension project's cost in excess of the Utility's allowable investment.

The Utility will make its decision on whether to offer amortization of a project's line extension expense on a case-by-case basis considering the following criteria:

- 1. The magnitude of the amount of the line extension cost for which the customer is responsible;
- 2. The degree of certainty with which the Utility may recover the line extension costs that it permits a group of customers to amortize; and

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____
Decision No. _____

RULE NO. 6

SERVICE AND MAIN EXTENSIONS

(Continued)

E. GENERAL CONDITIONS (Continued)

12. Other Types of Connections

Where an applicant or customer requests a type of service connection other than standard such as curb meters and vaults, etc., the Utility will consider each such request and will grant such reasonable allowance as it may determine. The Utility shall install only those facilities that it determines are necessary to provide standard natural gas service in accordance with this tariff. Where the applicant requests the Utility to install special facilities which are in addition to, or in substitution for, or which result in higher costs than the standard facilities which the Utility would normally install, the extra cost thereof shall be borne by the applicant.

13. Excess Flow Valve Installation

In accordance with The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 and Title 49, Section 192.383 of the Code of Federal Regulations, the installation of an excess flow valve, as defined in Rule No. 1, shall be performed by the Utility on new or replaced single residence service lines. If any other customer requests the installation of an excess flow valve, the Utility shall perform the installation subject to the feasibility of such installation and the customer assuming responsibility for all costs associated with installation.

14. Exceptional Cases

In unusual circumstances, when the application of this Rule appears impractical or unjust to either party, the Utility or the applicant may refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

15. Taxes Associated with Nonrefundable Contributions and Advances

Any federal, state or local income taxes resulting from a nonrefundable contribution or advance by the customer in compliance with this rule will be recorded as a deferred tax and appropriately reflected in the Utility's rate base. These deferred taxes will be amortized over the remaining tax life of the asset.

RULE NO. 7

PROVISION OF SERVICE

A. UTILITY RESPONSIBILITY

1. The Utility shall be responsible for the safe transmission and distribution of gas until it passes the point of delivery to the customer. Where the Utility owns and operates a meter, regulator, pipe, fixtures, apparatus, etc. downstream of the point of delivery, the Utility shall be responsible for the Utility's equipment as provided for in this Rule.
2. All meters, regulators, service pipe, fixtures, and other apparatus, etc. owned and operated by the Utility upon the customer's premises for the purpose of delivering or metering gas to the customer shall continue to be the property of the Utility, and may be repaired, replaced or removed by the Utility at any time. Such equipment installed on customer's premises shall be maintained in safe operating condition by the Utility.
3. The Utility shall not be responsible for any loss or damage occasioned or caused by the negligence or wrongful act of the customer or any of his agents, employees or licensees in installing, maintaining, using, operating, interfering with, or failing to support or protect any such meters, regulators, gas piping, appliances, fixtures or apparatus, etc.
4. The customer shall provide a leak tight system for receiving gas. The Utility shall perform a leak check on the customer's piping when the gas is turned on. If any leakage exists at time of turn-on, service will be denied until the customer has eliminated all leaks. The Utility may also refuse service until a certificate executed by an authorized public official is issued. The Utility has the right but not the obligation to refuse service to any customer or discontinue service with or without notice if, in the Utility's opinion, the facilities beyond the point of delivery are unsafe or present a hazardous or potentially hazardous condition.

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A.C.C. Sheet No. 207A

A.C.C. Sheet No. _____

RULE NO. 7

PROVISION OF SERVICE

B. CUSTOMER RESPONSIBILITY

1. The customer shall, at the customer's sole risk and expense, furnish, install and keep in good and safe condition all regulators, customer piping, appliances, alarms, fixtures, and apparatus of any kind or character located beyond the point of delivery, including all necessary protective appliances and suitable housing therefore.
2. The customer will be solely responsible for any injury, damage or loss resulting from the gas, or its use or loss, after such gas passes beyond the point of delivery. Where the Utility owns and operates a meter, regulator, pipe, fixtures, apparatus, etc., downstream of the point of delivery, the customer shall not be responsible for the injury, damage, or loss resulting from the gas, or its use or loss caused by that Utility equipment.
3. No rent or other charge whatsoever will be made by the customer against the Utility for placing or maintaining said meters, regulators, service pipe, fixtures, etc., upon the customer's premises. All meters will be sealed or soldered by the Utility, and no such seal or solder shall be tampered with or broken except by a representative of the Utility appointed for that purpose. The customer shall exercise reasonable care to prevent the meters, regulators, service pipe, fixtures, etc., of the Utility upon said premises from being injured or destroyed, and shall refrain from interfering with the same and, in case of defect therein or damage thereto shall be discovered, shall promptly notify the Utility thereof. The customer shall reimburse the Utility for the cost of repairs arising from the customer's neglect, carelessness, misuse or abuse.

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____
Decision No. _____

Canceling _____

A.C.C. Sheet No. 208

A.C.C. Sheet No. _____

RULE NO. 7

PROVISION OF SERVICE

(Continued)

B. CUSTOMER RESPONSIBILITY *(Continued)*

4. The Utility shall have the right to refuse or to discontinue gas service if the acts of the customer or the conditions upon his premises are such as to indicate intention to defraud the Utility. When the Utility has discovered that a customer has obtained service by fraudulent means, or has used the gas service for unauthorized purposes, the service to that customer may be discontinued without notice. The Utility will not restore service to such customer until that customer has complied with all filed Rules and reasonable requirements of the Utility and the Utility has been reimbursed for the full amount of the service rendered and the actual cost to the Utility incurred by reason of the fraudulent use.
5. The customer shall immediately call 911 and the Utility upon the discovery of any gas leaks or other hazardous or potentially hazardous conditions in or upon the customer's or the Utility's natural gas meter, regulators, piping, equipment, premises, etc. The customer shall call the Utility at (877) 860-6020 or, at the following numbers at any time of the day or night:

Central Arizona: (800) 528-4277

(Areas in and around Phoenix and Wickenburg)

Southern Arizona: (800) 722-4277

(Areas in and around Tucson, Green Valley, Casa Grande, Coolidge, Sierra Vista, Douglas, Morenci, Globe, Oracle, and Yuma)

Northwestern Arizona: (800) 447-5422

(Areas in and around Bullhead City, Parker, and Ehrenberg)

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Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____
Decision No. _____

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Canceling _____

A.C.C. Sheet No. 209

A.C.C. Sheet No. _____

RULE NO. 7

PROVISION OF SERVICE
(Continued)

C. CONTINUITY OF SERVICE

1. The Utility will exercise reasonable diligence to furnish a continuous and sufficient supply of gas to its customers and to avoid any shortage or interruption of delivery. The Utility will not be liable for interruptions or shortages of supply, nor for any loss or damage occasioned thereby, whether such interruptions or shortages occurred with or without notice to the customer.
2. The Utility shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from any cause against which the Utility could not have reasonably foreseen or made provision for.
3. The Utility has the right to suspend service temporarily for the purpose of making necessary repairs, maintenance or improvements to the system. When this is necessary, the Utility will endeavor to give affected customers reasonable notice where circumstances permit, and will proceed with work with reasonable diligence.
4. The Utility shall not be responsible for any damage or claim of damage attributable to curtailment (paragraph G).
5. The Utility's liability, if any, for its gross negligence or willful misconduct is not limited by this Tariff. With respect to any claim or suit, by a customer or by any others, for damages associated with the establishment, interruption, resumption, and termination of service to a customer, the Utility's liability shall not exceed an amount equal to the proportionate charge for the service for the period during which service was affected. The Utility shall not be liable for any special, indirect, or consequential damages whatsoever including, but not limited to, loss of profits or revenue, loss of use of equipment, cost of capital, cost of temporary equipment, overtime, business interruption, spoilage of goods, claims of customers of the customer or other economic harm.

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____ T
Decision No. _____ T

RULE NO. 7

PROVISION OF SERVICE*(Continued)*

D. CHANGE IN CHARACTER OF SERVICE

1. When a change is made by the Utility in the type of service rendered which it knows would adversely affect the efficiency of operation or require the adjustment of the equipment of customers, all customers who may be affected shall be notified by the Utility at least 30 days in advance of the change or, if such notice is not possible, as early as feasible. Where adjustments or replacements of the Utility's standard equipment must be made to permit use under such changed conditions, adjustments shall be made by the Utility without charge to the customers.

There are no understandings, agreements, representations, or warranties, express or implied (including warranties regarding merchantability or fitness for a particular purpose), not specified herein or in the applicable rules of the Arizona Corporation Commission concerning the sale and delivery of services by company to the customer. These terms and conditions and the applicable rules of the Arizona Corporation Commission state the entire obligation of the company in connection with such sales and deliveries.

2. In cases when changes are required due to customer requirements such as increased delivery pressure, larger meter capacity, etc., the Utility at its option may make the changes so long as the changes will not be detrimental to other customers as determined by the Utility. The Customer may be required to reimburse the Utility for such customer required changes.

RULE NO. 7

PROVISION OF SERVICE
(Continued)

E. SERVICE INTERRUPTIONS

1. When service interruptions occur the Utility shall make reasonable effort to restore service in the shortest time. The Utility shall have procedures to be followed to mitigate interruptions or impairment of service due to emergencies.
2. Under disaster conditions the Utility will cooperate to the fullest extent with the governmental agency having authority in the area. The Utility may, in the public interest, interrupt service to customers to provide necessary service to civil defense or other emergency service agencies until normal service can be provided.
3. The Utility shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from any cause against which the Utility could not have reasonably foreseen or made provision for.
4. When an interruption in service is scheduled for more than four hours to perform maintenance or repairs, the Utility shall attempt to inform affected customers of the date and duration of the interruption at least 24 hours in advance.

RULE NO. 7

PROVISION OF SERVICE
(Continued)

E. SERVICE INTERRUPTIONS (Continued)

5. The Commission shall be notified by telephone within four hours after a responsible representative of the Utility becomes aware of interruptions affecting a major portion of the Utility's system. The Utility will follow the telephonic notification with a written report.

F. DESCRIPTION OF SERVICE

1. Heating Value

Gas supplied in the Utility's service area consists of natural gas having an average total heating value of not less than 900 Btus per cubic foot.

2. Standard Delivery Pressure

- a. The standard delivery pressure maintained at the outlet of the meter supplying the customer will be approximately 0.25 pounds per square inch gauge (7-inch water column) subject to variation under load conditions.
- b. In cases where a customer desires service at greater than standard delivery pressure, the Utility may supply at its option such greater pressure if, and only as long as, the furnishing of gas to such customer at higher than standard delivery pressure will not be detrimental to the service to other customers of the Utility. The Utility reserves the right to lower said delivery pressure or discontinue the delivery of gas at higher pressure at any time upon reasonable notice to the customer. Where service is provided at such higher pressure, the meter volumes shall be corrected to that higher pressure for billing purposes in accordance with the definition of a cubic foot set forth in Rule No. 1.

Canceling _____

A.C.C. Sheet No. 218

A.C.C. Sheet No. _____

RULE NO. 7

PROVISION OF SERVICE

(Continued)

G. CURTAILMENT *(Continued)*

Priority 4: Industrial requirements for boiler fuel use at less than 30,000 therms per peak day, but more than 15,000 therms per peak day, where alternate fuel capabilities can meet such requirements.

Priority 5: Industrial requirements for large volume (30,000 therms per peak day or more) boiler fuel use where alternate fuel capabilities can meet such requirements.

3. In the event of isolated incidents in order to avoid hazards and protect the public, the Utility may temporarily interrupt service to certain customers without regard to priority or any other customer classification.

4. The Utility shall not be responsible for any damage or claim of damage attributable to the aforementioned curtailment.

H. CONSTRUCTION STANDARDS AND SAFETY

1. The Utility shall fulfill its responsibility for warning and for the safe distribution of gas by designing, constructing, testing, inspecting, operating, and maintaining its transmission and distribution systems upstream of the point of delivery in compliance with the Federal Safety Standards for intrastate natural gas pipeline facilities and the Commission's safety standards for natural gas pipeline facilities.

2. When Utility owned and operated equipment is located downstream of the point of delivery:

a. The Federal Safety Standards for intrastate natural gas pipeline facilities and the Commission's safety standards for natural gas pipeline facilities do not apply to the customer piping.

RULE NO. 7

PROVISION OF SERVICE
(Continued)

H. CONSTRUCTION STANDARDS AND SAFETY (Continued)

- b. Although the gas within the Utility owned and operated equipment downstream of the point of delivery is not in transportation, the Utility shall fulfill its responsibility for warning and for designing, constructing, testing, inspecting, operating, and maintaining that Utility equipment by complying with the requirements of the Federal Safety Standards for intrastate natural gas pipeline facilities and the Commission's safety standards for natural gas pipeline facilities.
- c. No municipal, county or other local code, ordinance, franchise, regulation, rule, opinion, decision, order or other law, such as a developmental code, building code, plumbing code, fuel gas code, fire alarm and signaling code, administrative code, or electrical code, shall apply to the permitting, design, construction, testing, inspection, operation, or maintenance of any meter, regulator, pipe, fixtures, apparatus, etc. owned and operated by the Utility that is downstream of the point of delivery.

RULE NO. 8

METER READING
(Continued)

D. FACILITIES ON CUSTOMER'S PREMISES (Continued)

2. Utility's Right of Ingress to and Egress from the Customer's Premises

- a. Upon application for gas service and the establishment of service pursuant thereto, the customer shall be deemed to grant to the Utility and its assigns, to whatever extent the customer may be empowered to make such grant, an irrevocable easement upon and through the customer's premises for the location of the facilities of the Utility required to provide service. Any such grant from the owner of the premises serviced shall be deemed to be an easement running with the land, and shall bind his heirs and assigns.
- b. The Utility shall at all times have the right of ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of gas, and the exercise of any and all rights secured to it by law or these rules.
- c. The Utility shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises at the termination of service.

E. SERVICE CONNECTIONS MADE BY UTILITY'S EMPLOYEES

Only duly authorized employees or agents of the Utility are allowed to connect the service pipe to, or disconnect the same from the Utility's gas facilities, or to install, or establish service at the meter or regulator assembly.

RULE NO. 9

BILLING AND COLLECTION
(Continued)

F. SUMMARY BILLING

Summary Billing is an optional billing service for sales customers whereby customers with several individual accounts may receive a summary bill with summarized billing data for these accounts. A summary bill may be generated in lieu of the individual bills under the following conditions:

1. Customers electing this service shall execute a service agreement in order to participate in Summary Billing.
2. Eligibility for this service is limited to customers with a minimum of ten (10) individual accounts.
3. The customer name on all of the individual accounts summarized under any one Summary Billing account must be the same.
4. Each month's payment of a summary bill for the "Amount Due" must be one (1) payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Utility in U.S. currency, unless other arrangements acceptable to the Utility have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within fifteen (15) days after its issuance.
6. The Utility shall not be required to offer or to continue to offer Summary Billing to any customer whose account(s) is(are) past due or in arrears.
7. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Gas Tariff are applicable to Summary Billing and are made a part hereof.

RULE NO. 10

TERMINATION OF SERVICE

A. NONPERMISSIBLE REASONS TO DISCONNECT SERVICE

1. The Utility may not disconnect service for any of the reasons stated below:
 - a. Nonpayment of a bill until at least a five-day advance written notice is presented to the customer stating that the bill is delinquent and that the Utility may discontinue service unless the customer makes payment or contacts the local Utility office to make arrangements for payment satisfactory to the Utility. The written notice shall include the local address and telephone number of the Utility and a list of rights and remedies available to the customer.
 - b. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.
 - c. Failure of the customer to pay for services or equipment which are not regulated by the Commission.
 - d. Nonpayment of a bill related to another class of service.
 - e. Failure to pay a bill to correct a previous underbilling due to an inaccurate meter or meter failure when the customer agrees to pay over a reasonable period of time.
 - f. The Utility shall not terminate residential service where the customer has an inability to pay and:
 - (1) The customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous to the health of the customer or to a permanent resident on the customer's premises, or
 - (2) Life supporting equipment used in a home is dependent on Utility service for operation of such apparatus, or
 - (3) Where weather will be especially dangerous to health as defined herein or as determined by the Commission.

Canceling _____

A.C.C. Sheet No. 240

A.C.C. Sheet No. _____

RULE NO. 11

ADMINISTRATIVE AND HEARING REQUIREMENTS

(Continued)

B. CUSTOMER BILL DISPUTES

1. Any customer who disputes a portion of a bill rendered for Utility service shall pay the undisputed portion of the bill and notify the Utility's designated representative that such unpaid amount is in dispute prior to the delinquent date of the bill.
2. Upon receipt of the customer notice of dispute, the Utility shall:
 - a. Notify the customer within five working days of the receipt of a written dispute notice.
 - b. Initiate a prompt investigation as to the source of the dispute.
 - c. Withhold disconnection of service until the investigation is completed and the customer is informed of the results. Upon the request of the customer the Utility shall provide the customer a copy of the results of the investigation in writing.
 - d. Inform the customer of his right of appeal to the Commission.
3. Once the customer has received the results of the Utility's investigation, the customer shall submit payment within five working days to the Utility for any disputed amounts. Failure to make full payment shall be grounds for termination of service.

C. COMMISSION RESOLUTION OF SERVICE AND/OR BILL DISPUTES

1. In the event a customer and Utility cannot resolve a service and/or bill dispute, the customer shall file a written statement of dissatisfaction with the Commission; by submitting such statement to the Commission, the customer shall be deemed to have filed an informal complaint against the Utility.

Any controversy or claim arising out of or relating to this Tariff, or breach thereof, shall be adjudicated by the Commission. This includes, but is not limited to, controversies or claims involving meter errors, billing errors, invoicing errors, and claims for a full or partial refund. This also includes, but is not limited to, service complaints, such as claims arising out of or relating to the establishment, interruption, resumption, and termination of service.

Issued On _____
Docket No. _____

Issued by
Justin Lee Brown
Vice President

Effective _____
Decision No. _____

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Current Effective Tariff Sheets

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

| | | |
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| | <u>Third Revised</u> | A.C.C. Sheet No. <u>2</u> |
| Canceling | <u>Second Revised</u> | A.C.C. Sheet No. <u>2</u> |

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Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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John P. Hester
Senior Vice President

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Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Third Revised A.C.C. Sheet No. 8
 Canceling Second Revised A.C.C. Sheet No. 8

INDEX OF COMMUNITIES

The rate schedules applicable to the communities listed below are Schedule Nos. G-5 through G-80, T-1 and B-1.

| | | | |
|------------------|-----------------|-----------------|--------------|
| Adobe | Douglas | Marana | San Simon |
| Aguila | Dragoon | Maricopa | Scottsdale |
| Ajo | Dudleyville | Marinette | Sierra Vista |
| Amado | Ehrenberg | McNeal | Somerton |
| Apache | Elfrida | Mesa | Sonoita |
| Apache Junction | El Mirage | Miami | South Tucson |
| Arizona City | Eloy | Mobile | St. David |
| Arivaca Junction | Florence | Mohave Valley | Stanfield |
| Arlington | Fort Grant | Morenci | Stargo |
| Avondale | Fort Huachuca | Morristown | Sun City |
| Beardsley | Fort Mohave | Naco | Sunizona |
| Benson | Fountain Hills | New River | Sun Lakes |
| Bisbee | Gila Bend | Ocotillo | Sunsites |
| Bisbee Junction | Gilbert | Oracle | Superior |
| Bonita | Glendale | Oro Valley | Surprise |
| Bowie | Globe | Palominas | Tacna |
| Buckeye | Goodyear | Paradise Valley | Tempe |
| Bullhead City | Green Valley | Parker | Theba |
| Bylas | Guadalupe | Pearce | Tolleson |
| Carefree | Harcuvar | Peoria | Tombstone |
| Casa Grande | Harquahala | Peridot | Tonopah |
| Cashion | Hayden | Perryville | Topock |
| Cave Creek | Hereford | Phoenix | Tucson |
| Central Heights | Higley | Picacho | Vail |
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| Circle City | Hyder | Rainbow Valley | Wellton |
| Claypool | Kansas | Red Rock | Wenden |
| Clifton | Settlement | Rillito | Wickenburg |
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| Dateland | Litchfield Park | Salome | Youngtown |
| Don Luis | Luke AFB | San Carlos | Yuma |
| Double Adobe | Mammoth | San Manuel | |

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Issued by
 John P. Hester
 Vice President

Effective October 29, 2004
 Decision No. 66101

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

217th Revised A.C.C. Sheet No. 11
 Canceling 216th Revised A.C.C. Sheet No. 11

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}

| Description | Delivery Charge | 3/ Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate | |
|---|-----------------|-----------------------|------------------|---------------------------------|---|
| <u>G-5 – Single-Family Residential Gas Service</u> | | | | | |
| Basic Service Charge per Month | \$ 10.70 | | | \$ 10.70 | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.70314 | \$.00628 | \$.48556 | \$ 1.19498 | R |
| <u>G-6 – Multi-Family Residential Gas Service</u> | | | | | |
| Basic Service Charge per Month | \$ 9.70 | | | \$ 9.70 | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.70314 | \$.00628 | \$.48556 | \$ 1.19498 | R |
| <u>G-10– Single-Family Low Income Residential Gas Service</u> | | | | | |
| Basic Service Charge per Month | \$ 7.50 | | | \$ 7.50 | |
| Commodity Charge per Therm: | | | | | |
| Summer (May–October): | | | | | |
| All Usage | \$.70314 | (\$.01879) | \$.48556 | \$ 1.16991 | R |
| Winter (November–April): | | | | | |
| First 150 Therms | \$.35277 | (\$.01879) | \$.48556 | \$.81954 | R |
| Over 150 Therms | .70314 | (\$.01879) | \$.48556 | 1.16991 | R |
| <u>G-11– Multi-Family Low Income Residential Gas Service</u> | | | | | |
| Basic Service Charge per Month | \$ 7.50 | | | \$ 7.50 | |
| Commodity Charge per Therm: | | | | | |
| Summer (May–October): | | | | | |
| All Usage | \$.70314 | (\$.01879) | \$.48556 | \$ 1.16991 | R |
| Winter (November–April): | | | | | |
| First 150 Therms | \$.35277 | (\$.01879) | \$.48556 | \$.81954 | R |
| Over 150 Therms | .70314 | (\$.01879) | \$.48556 | 1.16991 | R |
| <u>G-15– Special Residential Gas Service for Air Conditioning</u> | | | | | |
| Basic Service Charge per Month | \$ 10.70 | | | \$ 10.70 | |
| Commodity Charge per Therm: | | | | | |
| Summer (May–October): | | | | | |
| First 15 Therms | \$.70314 | \$.01817 | \$.48556 | \$ 1.20687 | R |
| Over 15 Therms | .13077 | \$.01817 | \$.48556 | .63450 | R |
| Winter (November–April): | | | | | |
| All Usage | \$.70314 | \$.01817 | \$.48556 | \$ 1.20687 | R |

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 Docket No. G-00000C-98-0568

Issued by
 Justin Lee Brown
 Vice President

Effective October 29, 2015
 Decision No. 62994

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling 220th Revised A.C.C. Sheet No. 12
219th Revised A.C.C. Sheet No. 12

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

| Description | Delivery Charge | ^{3/} Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate | |
|--|--------------------------------------|-------------------------------|------------------|---------------------------------|---|
| <u>G-20—Master-Metered Mobile Home Park Gas Service</u> | | | | | |
| Basic Service Charge per Month | \$ 66.00 | | | \$ 66.00 | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.47189 | \$.03254 | \$.48556 | \$.98999 | R |
| <u>G-25—General Gas Service</u> | | | | | |
| Basic Service Charge per Month: | | | | | |
| Small | \$ 27.50 | | | \$ 27.50 | |
| Medium | 43.50 | | | 43.50 | |
| Large-1 | 80.00 | | | 80.00 | |
| Large-2 | 470.00 | | | 470.00 | |
| Transportation Eligible | 950.00 | | | 950.00 | |
| Commodity Charge per Therm: | | | | | |
| Small, All Usage | \$.83914 | (\$.00809) | \$.48556 | \$ 1.31661 | R |
| Medium, All Usage | .45834 | (.00809) | .48556 | .93581 | R |
| Large-1, All Usage | .41263 | (.00809) | .48556 | .89010 | R |
| Large-2, All Usage | .28856 | (.00809) | .48556 | .76603 | R |
| Transportation Eligible | .10923 | .01817 | .48556 | .61296 | R |
| Demand Charge per Month— | | | | | |
| Transportation Eligible: | | | | | |
| Demand Charge ^{4/} | \$.082459 | | | \$.082459 | |
| <u>G-30—Optional Gas Service</u> | | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 27. | | | | |
| Commodity Charge per Therm: | | | | | |
| All Usage | As specified on A.C.C. Sheet No. 28. | | | | |
| <u>G-40—Air Conditioning Gas Service</u> | | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 32. | | | | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.13077 | \$.01817 | \$.48556 | \$.63450 | R |
| <u>G-45—Street Lighting Gas Service</u> | | | | | |
| Commodity Charge per Therm of Rated Capacity: | | | | | |
| All Usage | \$.69242 | \$.01817 | \$.48556 | \$ 1.19615 | R |
| <u>G-55—Gas Service for Compression ^{5/} on Customer's Premises</u> | | | | | |
| Basic Service Charge per Month: | | | | | |
| Small | \$ 27.50 | | | \$ 27.50 | |
| Large | 250.00 | | | 250.00 | |
| Residential | 10.70 | | | 10.70 | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.21470 | \$.01817 | \$.48556 | \$.71843 | R |
| <u>G-60—Electric Generation Gas Service</u> | | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 40. | | | | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.15421 | \$.01817 | \$.48556 | \$.65794 | R |
| <u>G-75—Small Essential Agricultural User Gas Service</u> | | | | | |
| Basic Service Charge per Month | \$ 120.00 | | | \$ 120.00 | |
| Commodity Charge per Therm: | | | | | |
| All Usage | \$.28037 | \$.01817 | \$.48556 | \$.78410 | R |

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Docket No. G-00000C-98-0568

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Justin Lee Brown
Vice President

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Decision No. 62994

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling 76th Revised A.C.C. Sheet No. 13
75th Revised A.C.C. Sheet No. 13

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/} ^{2/}
(Continued)

| Description | Delivery Charge | ^{3/} Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate |
|---|-----------------|----------------------------------|------------------|---------------------------------|
| G-80 – Natural Gas Engine ^{6/} Water Pumping Gas Service | | | | |
| Basic Service Charge per Month: | | | | |
| Off-Peak Season (October–March) | \$.00 | | | \$.00 |
| Peak Season (April–September) | \$ 125.00 | | | \$ 125.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.22065 | \$.01817 | \$.32056 | \$.55938 |

1/ All charges are subject to adjustment for any applicable taxes or governmental impositions.

2/ Customers taking transportation service will pay the Basic Service Charge, the Commodity Charge per Therm less the Monthly Gas Cost, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$.00404 per therm for distribution shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. The shrinkage charge shall be updated annually effective May 1. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months.

Issued On September 24, 2015
Docket No. G-01551A-01-0060

Issued by
Justin Lee Brown
Vice President

Effective October 1, 2015
Decision No. 63598

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

36th Revised A.C.C. Sheet No. 14
 35th Revised A.C.C. Sheet No. 14

Canceling

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

3/ The Rate Adjustment applicable to each tariff rate schedule includes the following components.

| Description | G-5, G-6 | G-10, G-11 | G-15 | G-20 | Adjustment Date |
|---------------------------------|------------|--------------|------------|------------|-----------------------------|
| Low Income Ratepayer Assistance | \$ 0.01437 | n/a | n/a | \$ 0.01437 | 1st Billing Cycle in May |
| Demand Side Management | 0.00838 | \$ 0.00200 | \$ 0.00838 | 0.00838 | Per Commission Order |
| Gas Research Fund | 0.00122 | 0.00122 | 0.00122 | 0.00122 | 1st Billing Cycle in May |
| Department of Transportation | 0.00425 | 0.00425 | 0.00425 | 0.00425 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | 0.00000 | 0.00000 | 0.00000 | 0.00000 | Per Commission Notification |
| COYL Cost Recovery | 0.00432 | n/a | 0.00432 | 0.00432 | Per Commission Order |
| EEP | (0.02626) | (0.02626) | n/a | n/a | Per Commission Order |
| Total Rate Adjustment | \$ 0.00628 | \$ (0.01879) | \$ 0.01817 | \$ 0.03254 | |

| Description | G-25S, G-25M, G-25-L1, G-25-L2 | G-25TE, G-40, G-45, G-55, G-60, G-75 | G-80 | G-30, SB-1, Special Contracts | Adjustment Date |
|---------------------------------|--------------------------------------|---|------------|-------------------------------------|-----------------------------|
| Low Income Ratepayer Assistance | n/a | n/a | n/a | n/a | 1st Billing Cycle in May |
| Demand Side Management | \$ 0.00838 | \$ 0.00838 | \$ 0.00838 | n/a | Per Commission Order |
| Gas Research Fund | 0.00122 | 0.00122 | 0.00122 | n/a | 1st Billing Cycle in May |
| Department of Transportation | 0.00425 | 0.00425 | 0.00425 | \$ 0.00425 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | 0.00000 | 0.00000 | n/a | n/a | Per Commission Notification |
| COYL Cost Recovery | 0.00432 | 0.00432 | 0.00432 | n/a | Per Commission Order |
| EEP | (0.02626) | n/a | n/a | n/a | Per Commission Order |
| Total Rate Adjustment | \$ (0.00809) | \$ 0.01817 | \$ 0.01817 | \$ 0.00425 | |

4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.

5/ The charges for Schedule No. G-55 are subject to adjustment for applicable state and federal taxes on fuel used in motor vehicles.

6/ The gas cost for this rate schedule shall be updated seasonally, April 1 and October 1 of each year.

Issued On July 23, 2015
 Docket No. G-000000C-98-0568

Issued by
 Justin Lee Brown
 Vice President

Effective July 31, 2015
 Decision No. 62994

STATEMENT OF RATES
OTHER SERVICE CHARGES ^{1/}

| <u>Description</u> | <u>Reference</u> | <u>Amount</u> |
|---|------------------|--------------------------------|
| <u>Service Establishment Charge</u> | | |
| <u>Schedule No. G-5, G-6, or G-15</u> | | |
| Normal Service | Rule 3D | \$ 35.00 |
| Expedited Service | Rule 3D | 50.00 |
| <u>Schedule No. G-10 or G-11</u> | | |
| Normal Service | Rule 3D | \$ 24.00 |
| Expedited Service | Rule 3D | 32.00 |
| <u>All Other Rate Schedules</u> ^{2/} | | |
| Normal Service | Rule 3D | \$ 60.00 |
| Expedited Service | Rule 3D | 85.00 |
| <u>Customer Requested Meter Tests</u> | | |
| First Test | Rule 8C | \$ 25.00 |
| Subsequent Tests ^{3/} | | \$ 25.00 |
| <u>Returned Item Charge</u> | | |
| Per Item | Rule 9J | \$ 14.00 |
| <u>Re-Read Charge</u> | | |
| Per Read | Rule 8B | \$ 10.00 |
| <u>Late Charge</u> | | |
| Each Delinquent Bill | Rule 9E | 1.5% of the delinquent amount. |
| <u>Field Collection Fee</u> | | |
| Each Field Collection | Rule 9E | \$ 20.00 |

^{1/} Subject to adjustment for any applicable taxes or governmental impositions.

^{2/} For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility in establishing service.

^{3/} For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility to perform the meter test.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

| | | | |
|-----------|---------------|------------------|----|
| | First Revised | A.C.C. Sheet No. | 18 |
| Canceling | Original | A.C.C. Sheet No. | 18 |

Schedule No. G-5

SINGLE-FAMILY RESIDENTIAL GAS SERVICEAPPLICABILITY

Applicable to gas service to customers which consists of direct domestic gas usage in a single-family residential dwelling for space heating, clothes drying, cooking, water heating, and other residential uses.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

Schedule No. G-6

MULTI-FAMILY RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to customers which consists of direct domestic gas usage in a multi-family residential dwelling for space heating, clothes drying, cooking, water heating, and other residential uses.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

200th Revised A.C.C. Sheet No. 11
 Canceling 199th Revised A.C.C. Sheet No. 11

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}

| Description | Delivery Charge | 3/ Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate |
|---|-----------------|-----------------------|------------------|---------------------------------|
| <u>G-5 – Single-Family Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 10.70 | | | \$ 10.70 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.70314 | \$.08490 | \$.54440 | \$ 1.33244 |
| <u>G-6 – Multi-Family Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 9.70 | | | \$ 9.70 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.70314 | \$.08490 | \$.54440 | \$ 1.33244 |
| <u>G-10– Single-Family Low Income Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 7.50 | | | \$ 7.50 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| All Usage | \$.70314 | \$.06030 | \$.54440 | \$ 1.30784 |
| Winter (November–April): | | | | |
| First 150 Therms | \$.31139 | \$.06030 | \$.54440 | \$.91609 |
| Over 150 Therms | .70314 | \$.06030 | \$.54440 | 1.30784 |
| <u>G-11– Multi-Family Low Income Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 7.50 | | | \$ 7.50 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| All Usage | \$.70314 | \$.06030 | \$.54440 | \$ 1.30784 |
| Winter (November–April): | | | | |
| First 150 Therms | \$.31139 | \$.06030 | \$.54440 | \$.91609 |
| Over 150 Therms | .70314 | \$.06030 | \$.54440 | 1.30784 |
| <u>G-15– Special Residential Gas Service for Air Conditioning</u> | | | | |
| Basic Service Charge per Month | \$ 10.70 | | | \$ 10.70 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| First 15 Therms | \$.70314 | \$.07448 | \$.54440 | \$ 1.32202 |
| Over 15 Therms | .13077 | \$.07448 | \$.54440 | .74965 |
| Winter (November–April): | | | | |
| All Usage | \$.70314 | \$.07448 | \$.54440 | \$ 1.32202 |

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 Docket No. G-00000C-98-0568

Issued by
 Justin Lee Brown
 Vice President

Effective December 2, 2014
 Decision No. 62994

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

203rd Revised A.C.C. Sheet No. 12
 Canceling 202nd Revised A.C.C. Sheet No. 12

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

| Description | Delivery Charge | ^{3/} Rate Adjustment | Monthly Gas Cost | Currently Effective Tariff Rate |
|--|--------------------------------------|----------------------------------|------------------|---------------------------------|
| <u>G-20—Master-Metered Mobile Home Park Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 66.00 | | | \$ 66.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.47189 | \$.08877 | \$.54440 | \$ 1.10506 |
| <u>G-25—General Gas Service</u> | | | | |
| Basic Service Charge per Month: | | | | |
| Small | \$ 27.50 | | | \$ 27.50 |
| Medium | 43.50 | | | 43.50 |
| Large-1 | 80.00 | | | 80.00 |
| Large-2 | 470.00 | | | 470.00 |
| Transportation Eligible | 950.00 | | | 950.00 |
| Commodity Charge per Therm: | | | | |
| Small, All Usage | \$.83914 | \$.07061 | \$.54440 | \$ 1.45415 |
| Medium, All Usage | .45834 | .07061 | .54440 | 1.07335 |
| Large-1, All Usage | .41263 | .07061 | .54440 | 1.02764 |
| Large-2, All Usage | .28856 | .07061 | .54440 | .90357 |
| Transportation Eligible | .10923 | .07448 | .54440 | .72811 |
| Demand Charge per Month— | | | | |
| Transportation Eligible: | | | | |
| Demand Charge ^{4/} | \$.082459 | | | \$.082459 |
| <u>G-30—Optional Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 27. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | As specified on A.C.C. Sheet No. 28. | | | |
| <u>G-40—Air Conditioning Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 32. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.13077 | \$.07448 | \$.54440 | \$.74965 |
| <u>G-45—Street Lighting Gas Service</u> | | | | |
| Commodity Charge per Therm of Rated Capacity: | | | | |
| All Usage | \$.69242 | \$.07448 | \$.54440 | \$ 1.31130 |
| <u>G-55—Gas Service for Compression ^{5/} on Customer's Premises</u> | | | | |
| Basic Service Charge per Month: | | | | |
| Small | \$ 27.50 | | | \$ 27.50 |
| Large | 250.00 | | | 250.00 |
| Residential | 10.70 | | | 10.70 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.21470 | \$.07448 | \$.54440 | \$.83358 |
| <u>G-60—Electric Generation Gas Service</u> | | | | |
| Basic Service Charge per Month | As specified on A.C.C. Sheet No. 40. | | | |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.15421 | \$.07448 | \$.54440 | \$.77309 |
| <u>G-75—Small Essential Agricultural User Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 120.00 | | | \$ 120.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.28037 | \$.07448 | \$.54440 | \$.89925 |

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 Docket No. G-00000C-98-0568

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 Vice President

Effective December 2, 2014
 Decision No. 62994

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

68th Revised A.C.C. Sheet No. 13
 Canceling 67th Revised A.C.C. Sheet No. 13

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

| <u>Description</u> | <u>Delivery Charge</u> | <u>^{3/} Rate Adjustment</u> | <u>Monthly Gas Cost</u> | <u>Currently Effective Tariff Rate</u> |
|---|------------------------|--------------------------------------|-------------------------|--|
| G-80 – Natural Gas Engine ^{6/} Water Pumping Gas Service | | | | |
| Basic Service Charge per Month: | | | | |
| Off-Peak Season (October–March) | \$.00 | | | \$.00 |
| Peak Season (April–September) | \$ 125.00 | | | \$ 125.00 |
| Commodity Charge per Therm: | | | | |
| All Usage | \$.22065 | \$.01448 | \$.42403 | \$.65916 |

1/ All charges are subject to adjustment for any applicable taxes or governmental impositions.

2/ Customers taking transportation service will pay the Basic Service Charge, the Commodity Charge per Therm less the Monthly Gas Cost, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$.00391 per therm for distribution shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. The shrinkage charge shall be updated annually effective May 1. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months.

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 Docket No. G-01551A-01-0060

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 Justin Lee Brown
 Vice President

Effective October 1, 2014
 Decision No. 63598

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling

26th RevisedA.C.C. Sheet No. 1425th RevisedA.C.C. Sheet No. 14

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

3/ The Rate Adjustment applicable to each tariff rate schedule includes the following components.

| Description | G-5, G-6 | G-10, G-11 | G-15 | G-20 | Adjustment Date |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|
| Low Income Ratepayer Assistance | \$ 0.01429 | n/a | n/a | \$ 0.01429 | 1st Billing Cycle in May |
| Demand Side Management | 0.01000 | \$ 0.00200 | \$ 0.01000 | 0.01000 | 1st Billing Cycle in April |
| Gas Research Fund | 0.00100 | 0.00100 | 0.00100 | 0.00100 | 1st Billing Cycle in May |
| Department of Transportation | 0.00117 | 0.00117 | 0.00117 | 0.00117 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | 0.06000 | 0.06000 | 0.06000 | 0.06000 | Per Commission Order |
| COYL Cost Recovery | 0.00231 | n/a | 0.00231 | 0.00231 | Per Commission Order |
| EEP | (0.00387) | (0.00387) | n/a | n/a | Per Commission Order |
| Total Rate Adjustment | <u>\$ 0.08490</u> | <u>\$ 0.06030</u> | <u>\$ 0.07448</u> | <u>\$ 0.08877</u> | |

| Description | G-25S, G-25M, G-25-L1, G-25-L2 | G-25TE, G-40, G-45, G-55, G-60, G-75 | G-80 | G-30, SB-1, Special Contracts | Adjustment Date |
|---------------------------------|--------------------------------------|---|-------------------|-------------------------------------|----------------------------|
| Low Income Ratepayer Assistance | n/a | n/a | n/a | n/a | 1st Billing Cycle in May |
| Demand Side Management | \$ 0.01000 | \$ 0.01000 | \$ 0.01000 | n/a | 1st Billing Cycle in April |
| Gas Research Fund | 0.00100 | 0.00100 | 0.00100 | n/a | 1st Billing Cycle in May |
| Department of Transportation | 0.00117 | 0.00117 | 0.00117 | \$ 0.00117 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | 0.06000 | 0.06000 | n/a | n/a | Per Commission Order |
| COYL Cost Recovery | 0.00231 | 0.00231 | 0.00231 | n/a | Per Commission Order |
| EEP | (0.00387) | n/a | n/a | n/a | Per Commission Order |
| Total Rate Adjustment | <u>\$ 0.07061</u> | <u>\$ 0.07448</u> | <u>\$ 0.01448</u> | <u>\$ 0.00117</u> | |

4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.

5/ The charges for Schedule No. G-55 are subject to adjustment for applicable state and federal taxes on fuel used in motor vehicles.

6/ The gas cost for this rate schedule shall be updated seasonally, April 1 and October 1 of each year.

Issued On July 31, 2014
Docket No. G-01551A-14-0148

Issued by
Justin Lee Brown
Vice President

Effective August 1, 2014
Decision No. 74595

STATEMENT OF RATES
OTHER SERVICE CHARGES ^{1/}

| <u>Description</u> | <u>Reference</u> | <u>Amount</u> |
|---|------------------|--------------------------------|
| <u>Service Establishment Charge</u> | | |
| <u>Schedule No. G-5, G-6, or G-15</u> | | |
| Normal Service | Rule 3D | \$ 35.00 |
| Expedited Service | Rule 3D | 50.00 |
| <u>Schedule No. G-10 or G-11</u> | | |
| Normal Service | Rule 3D | \$ 24.00 |
| Expedited Service | Rule 3D | 32.00 |
| <u>All Other Rate Schedules</u> ^{2/} | | |
| Normal Service | Rule 3D | \$ 60.00 |
| Expedited Service | Rule 3D | 85.00 |
| <u>Customer Requested Meter Tests</u> | | |
| First Test | Rule 8C | \$ 25.00 |
| Subsequent Tests ^{3/} | | \$ 25.00 |
| <u>Returned Item Charge</u> | | |
| Per Item | Rule 9J | \$ 14.00 |
| <u>Re-Read Charge</u> | | |
| Per Read | Rule 8B | \$ 10.00 |
| <u>Late Charge</u> | | |
| Each Delinquent Bill | Rule 9E | 1.5% of the delinquent amount. |
| <u>Field Collection Fee</u> | | |
| Each Field Collection | Rule 9E | \$ 20.00 |

^{1/} Subject to adjustment for any applicable taxes or governmental impositions.

^{2/} For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility in establishing service.

^{3/} For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility to perform the meter test.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | <u>Eleventh Revised</u> | A.C.C. Sheet No. <u>16-17</u> |
| Canceling | <u>Tenth Revised</u> | A.C.C. Sheet No. <u>16</u> |
| Canceling | <u>First Revised</u> | A.C.C. Sheet No. <u>17</u> |

HELD FOR FUTURE USE

Issued On September 28, 2004
Docket No. G-01551A-02-0425

Issued by
John P. Hester
Vice President

Effective October 29, 2004
Decision No. 66101

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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|-----------|-------------|------------------|----|
| | 2nd Revised | A.C.C. Sheet No. | 20 |
| Canceling | 1st Revised | A.C.C. Sheet No. | 20 |

Schedule No. G-10

SINGLE-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE*(Continued)*SPECIAL CONDITIONS *(Continued)*

2. Eligible customers shall be billed under this schedule with the next regularly scheduled billing period after the Utility has received the customer's properly completed application form or recertification.
3. Eligibility information provided by the customer on the application form may be subject to verification by the Utility. Refusal or failure of a customer to provide current documentation of eligibility acceptable to the Utility, upon request of the Utility, shall result in removal from or ineligibility for this schedule.
4. Customers who wrongfully declare eligibility or fail to notify the Utility when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential schedule.
5. It is the responsibility of the customer to notify the Utility within 30 days of any changes in the customer's eligibility status.
6. Customers with connected service to pools, spas or hot tubs are eligible for this schedule, only if usage is prescribed, in writing, by a licensed physician.
7. All monetary discounts will be tracked through a balancing account established by the Utility and recovered through the Utility's Low Income Ratepayer Assistance (LIRA) rate adjustment.
8. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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|-----------|--------------------|------------------|------------|
| Canceling | <u>1st Revised</u> | A.C.C. Sheet No. | <u>20A</u> |
| | <u>Original</u> | A.C.C. Sheet No. | <u>20A</u> |

Schedule No. G-11

MULTI-FAMILY LOW INCOME RESIDENTIAL GAS SERVICEAPPLICABILITY

Applicable to gas service to the primary residences of low income residential customers who would otherwise be provided service under Schedule No. G-6 and who meet the criterion which establishes that a qualifying customer's household income must not exceed 150 percent of the Federal poverty level.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and is incorporated herein by reference. The commodity charge during the winter season (November through April) delivered under this schedule shall reflect a 30 percent reduction from the commodity charge (excluding the LIRA rate adjustment) applicable to Schedule No. G-6, the customer's otherwise applicable gas sales tariff schedule.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. Eligibility requirements for the Low Income Residential Gas Service are set forth on the Utility's Application and Declaration of Eligibility for Low Income Ratepayer Assistance form. Customers must have an approved application form on file with the Utility. Recertification will be required prior to November 1 every two years and whenever a customer moves to a new residence within the Utility's service area.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

Schedule No. G-11

MULTI-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. Eligible customers shall be billed under this schedule with the next regularly scheduled billing period after the Utility has received the customer's properly completed application form or recertification.
3. Eligibility information provided by the customer on the application form may be subject to verification by the Utility. Refusal or failure of a customer to provide current documentation of eligibility acceptable to the Utility, upon request of the Utility, shall result in removal from or ineligibility for this schedule.
4. Customers who wrongfully declare eligibility or fail to notify the Utility when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential schedule.
5. It is the responsibility of the customer to notify the Utility within 30 days of any changes in the customer's eligibility status.
6. Customers with connected service to pools, spas or hot tubs are eligible for this schedule, only if usage is prescribed, in writing, by a licensed physician.
7. All monetary discounts will be tracked through a balancing account established by the Utility and recovered through the Utility's Low Income Ratepayer Assistance (LIRA) rate adjustment.
8. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | First Revised | A.C.C. Sheet No. | 23 |
| Canceling | Original | A.C.C. Sheet No. | 23 |

Schedule No. G-20

MASTER-METERED MOBILE HOME PARK GAS SERVICEAPPLICABILITY

Applicable to gas service for cooking, water heating, space heating and other usages supplied to a master-metered mobile home park and its tenants within the park through one meter on a single premise. This schedule is closed to new installations.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

LOW INCOME DISCOUNT

If an individual tenant of a mobile home park served under this schedule meets the low income criteria specified on the Utility's "Application and Declaration of Eligibility for Low Income Ratepayer Assistance (Arizona)," the mobile home park customer shall be eligible for the Low Income Ratepayer Assistance (LIRA) discount for that tenant's account. The LIRA program entitles customers served under this schedule to a reduction in the commodity rate under Schedule No. G-20 equivalent to the differential in the commodity rate under Schedule Nos. G-5 and G-10. Such rate reduction will be applicable for the first 150 therms consumed by each eligible tenant per month during the winter season (November through April).

Customers taking service under this schedule will receive the LIRA discount on their metered volumes in proportion to the percentage of mobile home park tenants that qualify under the LIRA program criteria. Customers served under this schedule must have an approved application form on file with the Utility for each tenant eligible for the LIRA discount. Recertification will be required prior to November 1 every two years and the customer must notify the Utility within 30 days of any changes in the eligibility status of the customer's tenants. It is the responsibility of master-metered customers to pass through a proportionate share of the low income discount to each eligible low income tenant. If the Utility ascertains that a master-metered customer has failed to appropriately pass through the LIRA discount to eligible tenants, an adjusted bill may be rendered to the customer.

Issued On March 28, 2003
Docket No. G-01551A-00-0309

Issued by
Edward S. Zub
Executive Vice President

Effective April 30, 2003
Decision No. 64172

Schedule No. G-20

MASTER-METERED MOBILE HOME PARK GAS SERVICE
(Continued)

LOW INCOME DISCOUNT (Continued)

Customers submitting LIRA discount applications on behalf of eligible tenants during the winter season will begin receiving the discount in the next regularly scheduled billing period subsequent to the Utility's approval of the submitted application. All LIRA application information may be subject to verification by the Utility. Failure of a customer to provide any eligibility documentation requested by the Utility shall render the customer ineligible for the respective LIRA discount request. Customers that receive the LIRA discount on behalf of ineligible tenants may be rebilled for the period of ineligibility under the otherwise applicable undiscounted sales rate.

All LIRA rate discounts will be tracked by the Utility and recorded in a balancing account and recovered through the Utility's LIRA rate adjustment.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | <u>3rd Revised</u> | A.C.C. Sheet No. <u>25</u> |
| Canceling | <u>2nd Revised</u> | A.C.C. Sheet No. <u>25</u> |

Schedule No. G-25

GENERAL GAS SERVICEAPPLICABILITY

Applicable to commercial, industrial, United States Armed Forces, and essential agricultural customers as defined in Rule No. 1 of this Arizona Gas Tariff. Small general gas service customers are defined as those whose average annual requirements are less than or equal to 600 therms. Medium general gas service customers are defined as those whose average annual requirements are greater than 600 therms but less than or equal to 7,200. Large-1 general gas service customers are defined as those whose average annual requirements are greater than 7,200 therms but less than or equal to 50,000. Large-2 general gas service customers are defined as those whose average annual requirements are greater than 50,000 therms but less than or equal to 180,000 therms. Transportation-Eligible general gas customers are defined as those whose average annual requirements are greater than 180,000 therms.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

1. Small, Medium, Large-1 and Large-2 General Gas Service.

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

The minimum charge per meter per month is the basic service charge.

2. Transportation-Eligible General Gas Service

The basic service charge, the demand charge and the commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to each customer's highest monthly throughput during the most recent 12-month period, ending the month prior to the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

Canceling First Revised A.C.C. Sheet No. 26
 Original A.C.C. Sheet No. 26

Schedule No. G-25

GENERAL GAS SERVICE
(Continued)

RATES (Continued)

The minimum charge per meter per month is the sum of the basic service charge and the demand charge.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority may be required under this schedule.
2. The charges specified for this schedule are subject to adjustment for the applicable portion of any taxes, fees, or government assessments which are based on the gross revenues of the Utility.
3. In order to change to a different general gas service classification within this schedule, a general gas service customer must show a sustained change in deliveries for a period of at least 12 months.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of purchased gas according to the provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Issued On October 30, 2001 Issued by Edward S. Zub Effective November 1, 2001
Docket No. G-01551A-00-0309 Executive Vice President Decision No. 64172

Schedule No. G-30

OPTIONAL GAS SERVICE
(Continued)

RATES (Continued)

Unless otherwise provided, the commodity charge per therm shall be determined in accordance with Special Condition No. 2. In no event shall the commodity charge per therm be less than the "floor" cost of gas, which is defined as the sum of (1) the weighted average commodity cost of gas, excluding gas purchased for the Arizona Price Stability Program, purchased by the Utility for system supply during the month; (2) an amount to reflect upstream pipeline capacity charges; and (3) an amount to reflect distribution system shrinkage.

For customers qualifying for service under Applicability Provision (3) above, and, if the Utility is unable to serve such customer utilizing the "floor" cost of gas as set forth above, a Special Gas Procurement Agreement shall be executed and approved by the Commission, and the commodity charge per therm shall be determined in accordance with Special Condition No. 3.

In addition to the charges described above, customers served under this schedule will be responsible for a their share of any interstate pipeline charges incurred by the Utility.

With the exception of gas sales provided for under Special Condition No. 3, the Utility shall account for sales under this schedule using the "floor" cost of purchased gas.

SUPPLIER REFUNDS

If, as a result of any final order of the FERC or the Commission which is no longer subject to judicial review, the Utility receives a cash refund from any of its upstream pipeline transporters or suppliers which is applicable to gas sales made under this Arizona Gas Tariff, the Utility shall allocate such refund to its customers based on the therms billed during the refund period. The amount allocated to customers served under this schedule shall be used to reduce such customers' gas costs.

SPECIAL CONDITIONS

1. Prior to the establishment of service under this schedule, the customer shall execute a service agreement under mutually agreeable terms.

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Arizona Gas Tariff No. 7

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| | <u>First Revised</u> | A.C.C. Sheet No. <u>30</u> |
| Canceling | <u>Original</u> | A.C.C. Sheet No. <u>30</u> |

Schedule No. G-30

OPTIONAL GAS SERVICE*(Continued)*SPECIAL CONDITIONS *(Continued)*

5. The sales commodity charge per therm of any customer served under this schedule who requests service under an otherwise applicable gas sales schedule shall be adjusted to exclude the Gas Cost Balancing Account Adjustment for the initial 12-month sales period. After the conclusion of the initial 12-month period of receiving sales service, the customer shall be billed at the currently effective tariff rate, including the Gas Cost Balancing Account Adjustment.
6. The Utility may require six months' notice from Special Gas Procurement customers prior to returning to their otherwise applicable gas sales schedule or require the customer to pay the incremental cost of gas incurred to serve them as determined by the Utility under their otherwise applicable gas sales schedule for the following six months.

Issued On July 20, 2000
Docket No. G-01551A-00-0535

Issued by
Edward S. Zub
Executive Vice President

Effective October 10, 2000
Decision No. 62928

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | Second Revised | A.C.C. Sheet No. | 34 |
| Canceling | First Revised | A.C.C. Sheet No. | 34 |

Schedule No. G-45

STREET LIGHTING GAS SERVICEAPPLICABILITY

Applicable to gas service for continuous street or outdoor lighting in lighting devices approved by the Utility. Service under this schedule is conditional upon arrangements mutually satisfactory to the customer and the Utility for connection of customer's lighting devices to Utility's facilities.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The charge per month is the product of the therms per month per mantle and the commodity rate as set forth in the currently effective Statement of Rates of this Arizona Gas Tariff, and such commodity rate is incorporated herein by reference.

SPECIAL CONDITIONS

1. At its sole option, the Utility may reduce the maximum rated capacity to reflect use of automatic dimmer devices or adjustment of the lamps to operate at less than maximum rated capacity.
2. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

CURRENT EFFECTIVE TARIFF SHEETS

Original A.C.C. Sheet No. 36-37
Canceling A.C.C. Sheet No.

HELD FOR FUTURE USE

Issued On August 29, 1997
Docket No. U-1551-96-596

Issued by
Edward S. Zub
Senior Vice President

Effective September 1, 1997
Decision No. 60352

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | <u>Second Revised</u> | A.C.C. Sheet No. <u>41</u> |
| Canceling | <u>First Revised</u> | A.C.C. Sheet No. <u>41</u> |

Schedule No. G-60

ELECTRIC GENERATION GAS SERVICE*(Continued)*PURCHASED GAS ADJUSTMENT CLAUSE

The charges specified for this schedule are subject to increases or decreases in the cost of gas purchased by the Utility. Such change shall be reflected in the commodity charge of the currently effective tariff rates as shown on A.C.C. Sheet No. 12 of this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule. Gas service under this schedule is not available for "standby" or occasional temporary service.

Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | 3rd Revised | A.C.C. Sheet No. | 44 |
| Canceling | 2nd Revised | A.C.C. Sheet No. | 44 |

Schedule No. G-80

NATURAL GAS ENGINE WATER PUMPING GAS SERVICEAPPLICABILITY

Applicable to gas service to customers using gas for fuel in internal combustion engines for pumping water for agricultural, domestic and municipal purposes.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. All gas shall be supplied at a single point of delivery and measured through one meter. No other equipment may be supplied through this meter.
2. The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The charges specified for this schedule are subject to increases or decreases in the cost of gas purchased by the Utility. Such change shall be reflected in the commodity charge of the currently effective tariff rates as shown on A.C.C. Sheet No. 13 of this Arizona Gas Tariff.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

_____ Original _____ A.C.C. Sheet No. _____ 45
Canceling _____ A.C.C. Sheet No. _____

Schedule No. G-80

NATURAL GAS ENGINE GAS SERVICERULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Issued On August 29, 1997
Docket No. U-1551-96-596

Issued by
Edward S. Zub
Senior Vice President

Effective September 1, 1997
Decision No. 60352

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | <u>Fourth Revised</u> | A.C.C. Sheet No. <u>51</u> |
| Canceling | <u>Third Revised</u> | A.C.C. Sheet No. <u>51</u> |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS1. AVAILABILITY

This schedule is available to any customer for transportation of natural gas by the Utility from an existing interconnection between the Utility and its upstream interstate pipeline suppliers (herein called Receipt Point) to the Delivery Point(s) on the Utility's system under the following conditions:

- 1.1 The Utility has available capacity to render the requested service without construction of any additional facilities, except as provided by Section 8 hereof;
- 1.2 The customer has demonstrated to the Utility's satisfaction in accordance with Section 6.8(d) hereof, the assurance of natural gas supplies and third-party transportation agreements with quantities and for a term compatible with the service being requested from the Utility. Except for customers otherwise served under Schedule No. G-55, service under this schedule is limited to: (a) customers whose average monthly requirements at one of the customer's premises on an annual basis are no less than 15,000 therms, and (b) customers whose average monthly requirements at one of the customer's premises during the months of May through September are no less than 15,000 therms. Projected transportation quantities for customers otherwise served under Schedule No. G-55 shall not be less than 50,000 therms annually at one of the customer's premises.
- 1.3 The customer and the Utility have executed a service agreement for service under this schedule. A single service agreement may provide for service to any or all of the customer's separate premises, provided that all of the premises are under common ownership.

2. APPLICABILITY AND CHARACTER OF SERVICE

This schedule shall apply to gas transported by the Utility for customer pursuant to the executed service agreement.

- 2.1 The basic transportation service rendered under this schedule shall consist of:
 - (a) The receipt by the Utility for the account of the customer of the customer's gas at the Receipt Point; and
 - (b) The transportation and delivery of gas through the Utility's system for the account of the customer.

Issued On November 27, 2006
 Docket No. G-01551A-06-0746

Issued by
 John P. Hester
 Senior Vice President

Effective June 28, 2007
 Decision No. 69668

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | <u>Fourth Revised</u> | A.C.C. Sheet No. <u>53</u> |
| Canceling | <u>Third Revised</u> | A.C.C. Sheet No. <u>53</u> |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*3. RATES

3.1 The customer shall pay the Utility monthly the sum of the following charges:

- (a) Basic Service Charge. The basic service charge as set forth in the currently effective Statement of Rates of this Arizona Gas Tariff for each meter included in the transportation service agreement. Customers receiving service under contract rates shall pay the basic service charge as set forth in the customer's service agreement.
- (b) Demand Charge. The monthly demand charge, if applicable, shall be the product of the demand charge rate set forth in the currently effective Statement of Rates of this Arizona Gas Tariff, multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12-month period, ending the month prior to the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.
- (c) Volume Charge. The Commodity Charge per Therm less the Monthly Gas Cost of the Currently Effective Tariff Rate as set forth in the Statement of Rates of this Arizona Gas Tariff for each meter included in the transportation service agreement, plus an amount for distribution shrinkage as defined in Rule No. 1 and set forth in the Statement of Rates, Sheet No. 13 of this Arizona Gas Tariff. The amount collected for distribution shrinkage shall be recorded in the Gas Cost Balancing Account.
- (d) Gas Cost Balancing Account Adjustment. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months and amounts collected shall be recorded in the Gas Cost Balancing Account.
- (e) Incremental Upstream Pipeline Charges. Any incremental upstream pipeline charges or penalties incurred by the Utility as a result of a transportation customer's hourly or daily burn differing from its upstream interstate pipeline rights, will be included on the customer's bill for service. All such amounts collected from customers will be credited to the Gas Cost Balancing Account.
- (f) Imbalance charges as specified in Section 7 of this schedule.

Issued On November 27, 2006
Docket No. G-01551A-06-0746

Issued by
John P. Hester
Senior Vice President

Effective June 28, 2007
Decision No. 69668

P.O. Box 98510

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Arizona Gas Tariff No. 7

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| | <u>Fourth Revised</u> | A.C.C. Sheet No. <u>55</u> |
| Canceling | <u>Third Revised</u> | A.C.C. Sheet No. <u>55</u> |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*4. MINIMUM CHARGE

The minimum charge per month is the basic service charge per month per meter and the demand charge per month per meter, if applicable.

5. FORCE MAJEURE

5.1 Relief From Liability: Neither party shall be liable in damages to the other on account of "force majeure" occasioned by any act, omission or circumstances occasioned by or in consequence of any act of God, strikes, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, depletion of or temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or not, and not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to settle or prevent any strikes or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

5.2 Liabilities Not Relieved: Neither the customer nor the Utility shall be relieved from liability in the event of its concurring negligence or failure on its part to use due diligence to remedy the force majeure and remove the cause with all reasonable dispatch, nor shall such causes or contingencies affecting performance of any agreement relieve either party from its obligations to make payments when due in respect of gas theretofore delivered.

6. OPERATING PROCEDURES

6.1 Nominating and Scheduling of Gas Receipts and Deliveries: NAESB guidelines will be followed regarding nominating, confirming and scheduling gas receipts and deliveries as they may be revised by the FERC from time to time. The customer shall be responsible for contacting the Utility and the upstream interstate pipeline(s) to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, however, that the customer may designate one party to serve as its Agent for such purpose. In the event the customer is receiving Title Assignment service, such contact shall be made to the Utility. The Utility and upstream interstate pipeline(s) require that specific information be provided to successfully process each nomination. It is the customer's or their Agent's responsibility to satisfy both the utility's and the pipeline's information requirements.

Issued On November 27, 2006
Docket No. G-01551A-06-0746

Issued by
John P. Hester
Senior Vice President

Effective June 28, 2007
Decision No. 69668

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | <u>4th Revised</u> | A.C.C. Sheet No. <u>57</u> |
| Canceling | <u>3rd Revised</u> | A.C.C. Sheet No. <u>57</u> |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*6. OPERATING PROCEDURES *(Continued)*

- (d) Balancing quantities nominated under the provisions of Section 6.9 herein as well as any gas to be scheduled under the Title Assignment provisions of the Special Supplementary Tariff — Interstate Pipeline Capacity Services Provisions must be separately identified in the Nomination. The Utility shall determine and notify the customer if there is sufficient operating flexibility to schedule such quantities. The Utility will only accept balancing and Title Assignment quantities for Cycle 1 Nominations.
- (e) Nominations for multiple customer premises must specify the quantity of gas to be scheduled at each of the Utility's receipt points with its upstream interstate pipeline(s). The customer or Agent must specify, prior to the flow day, the method to be used by the Utility for allocating imbalances among individual customers. If the allocation method is not specified prior to the flow day, the Utility will allocate any imbalances pro rata from the Cycle 1 Nomination.

6.2 Limitation Upon the Utility's Transportation Obligations: Customer shall cause deliveries into the Utility's system of volumes to be transported hereunder to be made at approximately a uniform rate. On any operating day, the Utility may refuse to accept quantities of gas that result in fluctuations in excess of 20 percent from the volumes transported during the previous operating day. Fluctuations in excess of 20 percent shall only be allowed if prior approval has been obtained from the Utility's dispatcher.

6.3 Records of Scheduled Quantities:

- (a) The Utility shall keep accurate records of the quantities of gas scheduled for transportation and any imbalances, which records shall be made available to the customer at its request. If the customer's gas is commingled with other gas at the Receipt Point or at the Delivery Point(s), the scheduling arrangements and the Utility's records shall include procedures for the division of the total quantity at such points.
- (b) On any day when a customer's metered quantity differs from the sum of the customer's scheduled transportation quantity and approved imbalance adjustment, the difference shall be balanced subject to Sections 6.9 and 7 herein.

Issued On January 26, 2016
Docket No. G-01551A-16-0027

Issued by
Justin Lee Brown
Vice President

Effective April 1, 2016 T
Decision No. _____ T

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Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

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| | Second Revised | A.C.C. Sheet No. | 58 |
| Canceling | First Revised | A.C.C. Sheet No. | 58 |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*6. OPERATING PROCEDURES *(Continued)*

- 6.4 Arrangements Prior to Receipt and After Delivery: It shall be the customer's obligation to make arrangements with other parties for delivery of gas into the Utility's system at the Receipt Point and for receipt of gas after transportation to the Delivery Point(s). The customer shall be obligated in such arrangements to require dispatching and operating coordination by such other parties with the Utility and access to appropriate charts and records. Such arrangements must be satisfactory to the Utility.
- 6.5 Operating Information and Estimates: Upon request of the Utility, the customer shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported, including peak hour and peak day requirements, together with such other operating data as the Utility may require in order to schedule its operations.
- 6.6 Quantities: All quantities referred to in Section 6 shall be provided as MMBtus (one million British Thermal Units).
- 6.7 Deliverability: The Utility shall not be liable for its failure to deliver gas when such failure to deliver gas is due to unavailability of gas supply or interruption of third party transportation services.
- 6.8 Processing Requests for Transportation Service: Requests of transportation hereunder shall be made by, and shall be deemed to be complete upon, the customer providing the following information to the Utility:
- (a) Gas Quantities. The Maximum Hourly and Daily Quantity applicable to each Receipt Point and to each Delivery Point, and estimated total quantities to be received and transported over the delivery period must be provided for each Receipt Point and each point of delivery.
 - (b) Delivery Point(s). Point(s) of delivery by the Utility to the customer.
 - (c) Term of Service.
 - (1) Date service requested to commence; and
 - (2) Date service requested to terminate, if applicable.

Issued On November 27, 2006
 Docket No. G-01551A-06-0746

Issued by
 John P. Hester
 Senior Vice President

Effective June 28, 2007
 Decision No. 69668

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Arizona Gas Tariff No. 7

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Canceling

Second Revised

A.C.C. Sheet No.

59First Revised

A.C.C. Sheet No.

59

SCHEDULE NO. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*6. OPERATING PROCEDURES *(Continued)*6.8 Processing Requests for Transportation Service: *(Continued)*

- (d) Upstream Pipeline Resources. Demonstration of upstream interstate pipeline resources and services that are equivalent to the level of service requested from the Utility. A reasonable demonstration of equivalent resources and services may be made by presentation of a contract between the customer and upstream provider, an affidavit from the customer detailing the customer's confirmed upstream resources and services, or any other means acceptable to the Utility. Customers must notify the Utility immediately upon the acquisition of, or any change in, upstream interstate pipeline resources and services.

Upon receipt of all of the information specified above, the Utility shall prepare and tender to the customer for execution a transportation service agreement. If the customer fails to execute the service agreement within 30 days of the date tendered, the customer's request shall be deemed null and void.

- 6.9 Balancing: Notwithstanding all other provisions of this schedule, customers must endeavor to schedule supplies at the Utility's Receipt Points that match the customer's demands. Imbalances, defined as the difference between metered quantity and scheduled transportation quantity, established in excess of the customer's applicable daily or monthly operating windows, will be subject to imbalance charges as set forth in Section 7 of this schedule. Any imbalance (plus or minus) carried forward, as well as any Utility-approved imbalance nomination, shall be considered first through the meter during the next applicable daily or monthly period.

- (a) Daily Balancing: Transportation customers are provided a daily operating window under which the customer's daily imbalance must be within plus or minus 25 percent ($\pm 25\%$) of the daily scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity, or 35,000 therms, whichever is greater. If, in the Utility's sole good faith judgment, operating conditions permit and upon request from the customer, the Utility will increase the daily operating window.

The Utility may reduce a transportation customer's daily operating window as necessary to protect system integrity or to respond to upstream pipeline conditions. The daily window will be adjusted pursuant to the following conditions:

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| | First Revised | A.C.C. Sheet No. | 60 |
| Canceling | Original | A.C.C. Sheet No. | 60 |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*6. OPERATING PROCEDURES *(Continued)*

(1) The Utility will notify the customer(s) of any adjustments as soon as possible on the day prior to the day of gas flow; however, the Utility reserves the right to notify the customer(s) of adjustments to the daily window at any time.

(2) Notice will be provided electronically and/or by other means mutually acceptable to the Utility and the Customer. The notice will contain (1) the starting time and degree of adjustment to the daily window, (2) the anticipated duration of the adjustment to the daily window, (3) the extent and reason(s) for the adjustment. The Utility will notify the transportation customer(s) immediately upon relief from conditions requiring adjustment to the daily window.

(3) If a transportation customer's daily imbalance exceeds the adjusted daily window (excess volumes), in addition to the Utility's imbalance charges as set forth Section 7, the transportation customer(s) will be charged a pro rata share of any upstream pipeline charges and/or penalties that were incurred by the Utility for such excess volumes. Any charges collected pursuant to this provision will be credited to the Gas Cost Balancing Account. The Utility shall not assess imbalance charges more than once on the same volumes of excess deliveries.

(b) Monthly Balancing. Transportation customers are provided a monthly operating window under which the customer's cumulative daily imbalances must be within plus or minus five percent ($\pm 5\%$) of the month's total of daily scheduled transportation quantities, including any Utility-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater.

6.10 Adjustments: Periodically, volume adjustments may be made by Upstream Interstate Pipeline Suppliers or the customer's Agent. In such instances, the daily quantities invoiced will be compared with the customer's daily scheduled transportation quantities. Should adjustments to the customer's scheduled transportation quantities become necessary, such adjustments will be reflected in the month in which the quantities were actually scheduled for purposes of administering this schedule.

Issued On November 27, 2006
Docket No. G-01551A-06-0746

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John P. Hester
Senior Vice President

Effective June 28, 2007
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| | Third Revised | A.C.C. Sheet No. | 63 |
| Canceling | Second Revised | A.C.C. Sheet No. | 63 |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*7. TRANSPORTATION IMBALANCE SERVICE *(Continued)*7.1 Imbalance Trading: *(Continued)*

- (b) Trading of imbalance quantities may not reduce a customer's monthly imbalance beyond a zero imbalance level. A customer may not trade to establish an imbalance in the opposite direction of the customer's original imbalance.
- (c) Once customers have agreed on the terms of a trade, both parties must complete, and send to the Utility by facsimile, a copy of the Imbalance Trading Request Form (Form No. 879.0). The Utility will then validate the trade and adjust the participants' accounts. The Imbalance Trading Request Form must be received by the Utility within twenty-four (24) hours of the close of the trading period. No confirmation of an imbalance trade will be made until signed (hard copy) forms are received via mail or facsimile from both parties. The customer is solely responsible to monitor Southwest Vista to confirm whether the trade is validated.
- (d) After the imbalance trading period, excess imbalance charges (see Sections 7.2 and 7.3) will be applied to all imbalance quantities in excess of the applicable monthly operating window.
- (e) Cumulative imbalances for customers with multiple meters under a single transportation service agreement will be determined by subtracting the customer's aggregated metered volume, including the effect of any adjustment for cycle billing, from the total volume scheduled under the customer's service agreement. Imbalances will be allocated between the customer's meters based on metered volumes, including the effect of any adjustment for cycle billing. Customers with multiple meters will not be allowed to trade imbalances based on individual meters or sales accounts.
- (f) The customer is solely responsible for contacting other transportation customers to explore opportunities for trading imbalances.
 - (1) Southwest assesses its transportation volume charges based on the transportation billing quantities, adjusted for any volumes traded pursuant to this section.
 - (2) It is the customer's sole responsibility to consider all gas supply, interstate and intrastate cost impacts when transacting imbalance trades.

Issued On November 27, 2006
 Docket No. G-01551A-06-0746

Issued by
 John P. Hester
 Senior Vice President

Effective June 28, 2007
 Decision No. 69668

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| | <u>Fourth Revised</u> | A.C.C. Sheet No. <u>64</u> |
| Canceling | <u>Third Revised</u> | A.C.C. Sheet No. <u>64</u> |

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*7. TRANSPORTATION IMBALANCE SERVICE *(Continued)*7.1 Imbalance Trading: *(Continued)*

- (g) If, as the result of a billing error, metering error, or adjustments of scheduled supply, a customer trades an incorrect imbalance quantity based on notification by the Utility, the Utility will not be liable for any financial losses or damages incurred by customer nor will the Utility be financially liable to any of the customer's imbalance trading partners. If, as a result of such error, the Utility overbills the customer, the Utility shall refund the difference without interest. If the Utility underbills the customer, the customer shall be liable for the undercharge, including any associated excess imbalance charges. For purposes of determining imbalances and any applicable charges hereunder, the Utility will include billing adjustments to the volume in prior periods as part of the current month's activity. Trades occurring in prior periods will not be affected by such billing adjustments.

7.2 Payment for Excess Imbalances:

Customers will be assessed imbalance charges if, an imbalance exists in excess of applicable daily or monthly operating windows set forth in Section 6.9 hereof. (Monthly imbalances will be adjusted to reflect imbalance trading activity before assessing any imbalance charge.) The customer's daily imbalance is defined as the difference between the customer's daily metered quantities and the sum of the customer's daily scheduled transportation quantity plus any Utility-approved daily imbalance adjustment quantity. The customer's monthly imbalance is defined as the difference between the customer's total monthly metered quantity, including the effect of any adjustment for cycle billing of the customer's meters, and the customer's total monthly scheduled transportation quantity. The portion of any imbalance quantity established by a customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. In addition to the charges payable under this schedule and the customer's otherwise applicable sales schedule, any monthly excess imbalance quantity shall be billed as follows:

(a) Positive Excess Imbalance

When the customer's scheduled transportation quantity (plus any approved daily imbalance adjustment quantity for daily imbalances) exceeds the customer's metered quantity by more than the applicable daily or monthly operating window, the excess imbalance shall be retained by the Utility and the excess imbalance eliminated after the customer's bill is credited with any respective unit transportation rate assessments plus the lower of the following two gas costs for each therm retained:

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Docket No. G-01551A-06-0746

Issued by
John P. Hester
Senior Vice President

Effective June 28, 2007
Decision No. 69668

Schedule No. SB-1

STANDBY GAS SERVICE

APPLICABILITY

Applicable to gas service to customers for stand-by service or as a back-up energy resource when the customer's requirements cannot be adequately served under the Utility's otherwise applicable sales schedules.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

Basic Service Charge: The basic service charge shall be that set forth in the customer's service agreement.

Reservation Charge: The reservation charge per month shall be the maximum daily therms sold to the customer under this rate schedule during the most recent 12-month period or those set forth in the customer's service agreement (hereinafter referred to as "maximum daily quantity") at an individual rate negotiated and agreed upon by the customer and the Utility times 30 days. This charge shall not be less than costs incurred by the Utility to provide this service.

If, on any day, the customer exceeds the maximum daily quantity by an amount over 3 percent of such quantity, the customer will pay for such excess volumes at the above negotiated reservation charge rate. The customer's total purchased volumes for that day shall establish a new maximum daily quantity, until such time as a substitute quantity may be negotiated between customer and the Utility.

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| | 1st Revised | A.C.C. Sheet No. | 79 |
| Canceling | Original | A.C.C. Sheet No. | 79 |

Schedule No. SB-1

STANDBY GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

4. In the event any customer served under this rate schedule elects to receive service under their otherwise applicable tariff rate schedule, such customer may receive service pursuant to terms and conditions normally available to new customers under the Utility's Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

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Arizona Gas Tariff No. 7

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| | <u>6th Revised</u> | A.C.C. Sheet No. <u>87</u> |
| Canceling | <u>5th Revised</u> | A.C.C. Sheet No. <u>87</u> |

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision shall apply to all schedules except for Schedule Nos. G-30 and G-80 of this Arizona Gas Tariff.

CHANGE IN RATES

The Monthly Gas Cost (MGC) rate for schedules covered by this provision includes the sum of the rolling twelve-month average purchased gas (PGA) rate plus the Gas Cost Balancing Account Adjustment, if applicable. Monthly adjustments will be made to the MGC to reflect the most currently available PGA rate. In accordance with Decision No. 70665, the PGA rate included in the MGC rate cannot be more than \$.15 per therm different than any PGA rate in effect during the preceding 12 months.

BANK BALANCE

The Utility shall establish and maintain a Gas Cost Balancing Account, if necessary, for the schedules subject to this provision. Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) an amount determined by multiplying the Monthly Gas Cost Rate as set forth on Sheet Nos. 11 and 12 of this Arizona Gas Tariff by the terms billed during the month under the applicable schedules of this Arizona Gas Tariff.
2. A debit or credit entry for refunds or payments authorized by the Commission.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the monthly one-year nominal Treasury constant maturities rate.

Issued On December 30, 2008
Docket No. G-01551A-07-0504

Issued by
John P. Hester
Senior Vice President

Effective December 1, 2008
Decision No. 70665

P.O. Box 98510

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Arizona Gas Tariff No. 7

Arizona Division

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| | <u>5th Revised</u> | A.C.C. Sheet No. <u>88</u> |
| Canceling | <u>4th Revised</u> | A.C.C. Sheet No. <u>88</u> |

**SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION**

(Continued)

MONTHLY INFORMATION FILINGS

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by the Commission. Additionally, the Utility shall file revised tariff sheets that include the current month's MGC rate.

ADDITIONAL REQUIREMENTS

Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or one percent (1%) of total annual purchases.

The Gas Cost Balancing Account (GCBA) balance will be evaluated monthly and the GCBA Adjustment will be established pursuant to Commission Decision No. 74595 (Docket No. G-01551A-14-0148).

Issued On September 19, 2014
Docket No. G-01551A-14-0148

Issued by
Justin Lee Brown
Vice President

Effective August 1, 2014
Decision No. 74595

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Arizona Gas Tariff No. 7

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| | Second Revised | A.C.C. Sheet No. | 89 |
| Canceling | First Revised | A.C.C. Sheet No. | 89 |

SPECIAL SUPPLEMENTARY TARIFF
GAS RESEARCH FUND (GRF)

APPLICABILITY

Applicable to all gas delivered by the Utility to all sales customers except those served under Rate Schedule Nos. G-30 and B-1.

RATES

The unit GRF rate is set forth in the currently effective Statement of Rates, Footnote 3(c), of Sheet No. 13 of this Arizona Gas Tariff and is incorporated herein by reference.

CHANGES IN RATES

Rates applicable to each schedule of this Arizona Gas Tariff subject to this provision shall be adjusted for changes in the GRF Balancing Account's balance in accordance with the rate adjustment provisions hereof such that the Utility will be reimbursed annual payments to GRF of \$688,712.

ADJUSTMENT DATE

The GRF rate shall be updated annually effective May 1.

RATE ADJUSTMENT PROVISIONS

Calculation of the GRF rate shall include:

1. An annual payment of \$688,712.
2. The amounts accumulated in the GRF Balancing Account at the end of the latest available recorded month prior to the applicable Adjustment Date.
3. The sum of paragraphs (1) and (2) above divided by the most recent 12 month's applicable sales volumes shall be the GRF Rate Adjustment.

Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

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| | 4th Revised | A.C.C. Sheet No. | 90 |
| Canceling | 3rd Revised | A.C.C. Sheet No. | 90 |

SPECIAL SUPPLEMENTARY TARIFF
LOW INCOME RATE ASSISTANCE (LIRA) RATE ADJUSTMENT PROVISION

APPLICABILITY

Applicable to all gas delivered by the Utility to all customers served under Schedule Nos. G-5, G-6 and G-20.

RATES

The unit LIRA rate adjustment is set forth in the currently effective Statement of Rates, Sheet No. 13 of this Arizona Gas Tariff.

CHANGES IN RATES

Rates applicable to each schedule of this Arizona Gas Tariff subject to this provision shall be adjusted in accordance with the rate adjustment provisions hereof such that the Utility will be reimbursed for all LIRA discounts, plus interest and administrative expenses.

ADJUSTMENT DATE

The LIRA rate adjustment shall be updated annually effective May 1.

RATE ADJUSTMENT PROVISIONS

Calculation of the LIRA rate adjustment shall include:

1. The LIRA program benefits provided during the prior winter season (November through April).
2. Incremental administrative and general expenses associated with the LIRA program.
3. The amounts accumulated in the LIRA Balancing Account at the end of the latest available recorded month prior to the applicable Adjustment Date.
4. The sum of paragraphs (1), (2), and (3) above divided by the most recent 12 month's applicable sales volumes shall be the LIRA rate adjustment amount.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

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Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

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| | <u>3rd Revised</u> | A.C.C. Sheet No. <u>92</u> |
| Canceling | <u>2nd Revised</u> | A.C.C. Sheet No. <u>92</u> |

SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION

APPLICABILITY

The Energy Efficiency Enabling Provision (EEP) applies to residential Rate Schedule Nos. G-5, G-6, G-10 and G-11 and to General Service Schedule Nos. G-25(Small), G-25(Medium), G-25(Large-1) and G-25(Large-2) included in this Arizona Gas Tariff. The EEP specifies the accounting procedures and rate setting adjustments necessary to assure the Utility neither over-recovers, nor under-recovers, the margin-per-customer amounts authorized in its most recent general rate case proceeding.

EEP WEATHER ADJUSTMENT

The EEP Weather Adjustment accounts for variations between the actual temperatures and normal temperatures for each winter day in the customer's billing cycle. When actual temperatures are colder than normal, the delivery charge portion of customer bills will be adjusted downward to reflect what the customer would have used under normal temperature conditions. When actual temperatures are warmer than normal, the delivery charge portion of customer bills will be adjusted upward to reflect what the customer would have used under normal temperature conditions. Weather is quantified in Heating Degree Days (HDD). HDD is defined as the difference between 65 degrees Fahrenheit and the average daily temperature when the average daily temperature is below 65 degrees. When the average daily temperature is equal to or greater than 65 degrees, there are zero HDD. The EEP Weather Adjustment will apply to consumption during the winter season months of November through April. Two analyses are performed to determine customers' weather sensitive use; an analysis of the customer's current billing cycle and an analysis of the customer's multi-season billing data.

1) BILLING CYCLE ANALYSIS

The billing cycle analysis uses the customer's current billing cycle HDD variance and billing cycle use per HDD to determine weather sensitive gas use and to calculate the billing cycle analysis volume adjustment.

A. Determine Billing Cycle HDD Variance

| | | |
|--------------|---|---|
| Normal HDD | = | The sum of the ten-year average HDDs for each day in the customer's billing cycle |
| Actual HDD | = | The sum of the actual HDDs for each day in the customer's billing cycle |
| HDD Variance | = | Normal HDDs less the Actual HDDs |

Issued On November 7, 2014
Docket No. G-01551A-13-0327

Issued by
Justin Lee Brown
Vice President

Effective November 7, 2014
Decision No. 74780

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Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

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| | <u>4th Revised</u> | A.C.C. Sheet No. <u>93</u> |
| Canceling | <u>3rd Revised</u> | A.C.C. Sheet No. <u>93</u> |

SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION

(Continued)

B. Determine Billing Cycle Use per HDD

Billing cycle use per HDD is calculated for each customer bill by subtracting the customer's billing cycle base load volume from current monthly metered use and dividing the difference by the billing cycle actual HDDs.

Billing cycle base load volume is equal to the customer's base load volume per day multiplied by the number of days in the customer's billing cycle. Base load volume per day for each customer is used to establish monthly non-temperature sensitive usage. The base load volume per day is equal to the customer's lowest average daily use for the May through October summer billing periods. Average daily use is the customer's total monthly use divided by the number of days in the billing cycle. For new customers, base load volume per day will be the average base load volume per day in the customer's operating district.

C. Calculate Billing Cycle Analysis Volume Adjustment

The billing cycle analysis volume adjustment is calculated by multiplying the customer's billing cycle HDD variance by the billing cycle use per HDD.

2) MULTI-SEASON ANALYSIS

The multi-season analysis uses winter billing data from the previous 24 months to determine weather sensitive gas use and to calculate the multi-season analysis volume adjustment. A linear regression is used to compare the customer's historical monthly metered use to the actual weather in each billing cycle to determine use per HDD. The multi-season analysis volume adjustment is calculated by multiplying the result of the linear regression by the billing cycle HDD variance for the customer's current billing cycle.

3) BILL ADJUSTMENT

The EEP Weather Adjustment for each customer bill is calculated by multiplying the applicable volume adjustment by the Delivery Charge component of the customer's Commodity Charge. The EPP Weather Adjustment will be applied to the customer's Delivery Charge revenue calculated on metered volumes. For each customer, the applicable volume adjustment is whichever of the following three quantities is the closest to zero: 1) the billing cycle analysis volume adjustment, 2) the multi-season analysis volume adjustment or 3) the customer's current monthly metered use.

Issued On November 7, 2014
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942nd Revised

A.C.C. Sheet No.

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SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION

(Continued)

3) **BILL ADJUSTMENT** (Continued)

However, in instances where the customer's billing cycle base load volume is greater than the customer's current monthly metered use or the sum of the actual HDDs in the customer's current billing cycle is equal to zero, the volume adjustment will be equal to zero and there will be no EEP Weather Adjustment to the customer's bill.

EEP ANNUAL ADJUSTMENT

The EEP Annual Adjustment recovers or refunds any differences between the Utility's billed margin and the margin amounts authorized in its most recent general rate case proceeding. The process is set forth below.

1) **EEP BALANCING ACCOUNT**

The Utility shall maintain accounting records that accumulate the difference between authorized and actual billed margin. Entries shall be recorded to the EEP Balancing Account (EEPBA) each month as follows:

- A. A debit or credit entry equal to the difference between authorized margin and actual billed margin for each rate schedule subject to this provision. Authorized margin is the product of the monthly margin-per-customer authorized in the Utility's last general rate case, as stated below, and the actual number of customers billed during the month.

| | <u>G-5</u> | <u>G-6</u> | <u>G-10</u> | <u>G-11</u> |
|-----------|------------|------------|-------------|-------------|
| January | \$ 55.33 | \$ 31.33 | \$ 51.33 | \$ 34.95 |
| February | \$ 47.83 | \$ 28.54 | \$ 44.98 | \$ 31.31 |
| March | \$ 38.04 | \$ 24.48 | \$ 34.16 | \$ 25.52 |
| April | \$ 26.85 | \$ 20.35 | \$ 23.53 | \$ 20.01 |
| May | \$ 20.58 | \$ 17.83 | \$ 17.36 | \$ 16.84 |
| June | \$ 19.78 | \$ 17.46 | \$ 16.58 | \$ 16.68 |
| July | \$ 17.89 | \$ 16.12 | \$ 14.91 | \$ 15.11 |
| August | \$ 16.93 | \$ 15.47 | \$ 14.04 | \$ 14.36 |
| September | \$ 17.44 | \$ 15.81 | \$ 14.37 | \$ 14.63 |
| October | \$ 18.48 | \$ 16.21 | \$ 15.17 | \$ 14.99 |
| November | \$ 20.80 | \$ 17.59 | \$ 17.98 | \$ 16.61 |
| December | \$ 39.58 | \$ 25.32 | \$ 36.56 | \$ 26.79 |

Issued On November 7, 2014
Docket No. G-01551A-13-0327

Issued by
Justin Lee Brown
Vice President

Effective November 7, 2014
Decision No. 74780

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling

3rd Revised A.C.C. Sheet No. 95

2nd Revised A.C.C. Sheet No. 95

**SPECIAL SUPPLEMENTARY TARIFF
ENERGY EFFICIENCY ENABLING PROVISION**

(Continued)

| | <u>G-25(S)</u> | <u>G-25(M)</u> | <u>G-25(L1)</u> | <u>G-25(L2)</u> |
|-----------|----------------|----------------|-----------------|-----------------|
| January | \$ 71.33 | \$ 216.68 | \$ 881.62 | \$ 3,489.92 |
| February | \$ 63.14 | \$ 201.26 | \$ 818.49 | \$ 3,242.82 |
| March | \$ 52.94 | \$ 170.82 | \$ 705.86 | \$ 3,173.15 |
| April | \$ 40.07 | \$ 141.81 | \$ 621.87 | \$ 2,705.83 |
| May | \$ 35.54 | \$ 121.62 | \$ 532.44 | \$ 2,356.11 |
| June | \$ 35.24 | \$ 116.70 | \$ 494.49 | \$ 2,201.48 |
| July | \$ 33.66 | \$ 103.60 | \$ 419.09 | \$ 1,774.80 |
| August | \$ 33.03 | \$ 100.00 | \$ 395.90 | \$ 1,685.78 |
| September | \$ 33.33 | \$ 104.64 | \$ 413.65 | \$ 1,764.88 |
| October | \$ 33.82 | \$ 111.56 | \$ 455.93 | \$ 1,943.09 |
| November | \$ 35.81 | \$ 125.50 | \$ 535.58 | \$ 2,400.18 |
| December | \$ 52.77 | \$ 178.73 | \$ 751.46 | \$ 3,086.35 |

B. A debit or credit entry equal to the therms billed during the month under the schedules subject to this provision multiplied by the EEP Annual Adjustment Rate.

C. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the monthly one-year nominal Treasury constant maturities rate.

2) EEP ANNUAL ADJUSTMENT RATE

The EEP Annual Adjustment Rate applicable to each schedule subject to this provision shall be revised annually to reflect the difference between the margin-per-customer authorized in the utility's last general rate case and the margin billed. The EEP Annual Adjustment Rate will be calculated by dividing the balance in the EEPBA by the most recent 12-month volume of natural gas for the customer class included in the EEP.

3) AMOUNTS RECOVERED AND REFUNDED

The Utility is prohibited from recovering any under-collections in the EEPBA to the extent that recovery would increase earnings such that the Company would be earning more than its authorized return on common equity. In addition, the amount of deferred amounts to be recovered in any amortization period shall not exceed five percent (5%) of the test year average non-gas revenue per customer. Deferred amounts exceeding five percent of the test year average non-gas revenue per customer will be carried forward for recovery in the next year and subsequent years with no carrying charges. One-hundred percent (100%) of over-collected balances in the EEPBA will be refunded, without limitation, over the next amortization period.

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Justin Lee Brown
Vice President

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RULE NO. 1

DEFINITIONS

For the purpose of these Tariffs, the terms and expressions listed below shall have the meanings set forth opposite:

| | |
|---------------------------------|---|
| Advance in Aid of Construction: | Funds provided to the Utility by an applicant for service under the terms of a main extension agreement, the amount of which may be refundable. |
| Agent: | Any party a customer may contract with for purposes of administering the customer's service agreement with the Utility excluding the right for the Agent to be billed directly by the Utility. An Agent has only those rights designated in writing by such customer for the effective time period, |
| Alternate Fuel Capability: | A situation where an alternate fuel can be utilized whether or not the facilities for such use have actually been installed. |
| Applicant: | A person requesting the Utility to supply natural gas service. |
| Application: | A request to the Utility for natural gas service, as distinguished from an inquiry as to the availability or charges for such service. |
| Arizona Corporation Commission: | The regulatory authority of the State of Arizona having jurisdiction over the public service corporations operating in Arizona. |
| Average Month: | 30.4 days. |
| Base Gas Supply: | Natural gas purchased by the Utility from its primary supplier. |
| Basic Service Charge: | A fixed amount a customer must pay the Utility for the availability of gas service, independent of consumption, as specified in the Utility's tariffs. |
| Billing Month: | The period between any two regular readings of the Utility's meters at intervals of approximately 30 days. |
| Billing Period: | The time interval between two consecutive meter readings that are taken for billing purposes. |

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|---------------------------------------|---|
| Commission: | See "Arizona Corporation Commission." |
| Commodity Charge: | The charge per unit of billed usage, as set forth in the Utility's tariffs. |
| Compressed Natural Gas (CNG): | Utilization of natural gas as a vehicle fuel by compressing the natural gas to high pressures and storing the compressed gas in a tank contained within the vehicle. |
| Connected Load: | The sum of the burner capacities of all of the customer's natural gas appliances. |
| Contributions in Aid of Construction: | Funds provided to the Utility by an applicant for service under the terms of a main extension agreement and/or service connection tariff the amount of which is not refundable. |
| Correctional Facility Users: | A facility, the primary function of which is to house, confine, or otherwise limit the activities of a person who has been assigned to such facility as punishment by a court of law. |
| Cost of Ownership: | Includes return on investment, taxes and depreciation. |
| Cubic Foot: | <ol style="list-style-type: none">1. In cases where natural gas is supplied and metered to customers at the standard delivery pressure, a cubic foot of gas is the volume of gas which, at the temperature and pressure existing in the meter, occupies 1 cubic foot.2. Regardless of the pressure supplied to the customer, the volume of gas metered will be converted to the volume which the gas would occupy at standard conditions of 14.73 pounds per square inch absolute at 60°F. |

RULE NO. 1

DEFINITIONS
(Continued)

| | |
|----------------------------|--|
| Daily Nomination: | A Nomination submitted to the Utility for one or more Gas Days. Daily Nominations must be submitted at least one calendar day prior to the effective Gas Day, subject to the provisions outlined in Section 6.1 of Schedule No. T-1. |
| Daily Operating Window: | A transportation operating constraint governing the allowable daily difference between the customer's metered quantity and the sum of the customer's scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity. |
| Date of Presentation: | The mailing date shown upon a bill or notice. |
| Day: | Calendar day. |
| Distribution Customer: | Any customer who purchases gas from the Utility pursuant to the Utility's tariffs solely for his own use and not for resale. |
| Distribution Main: | A gas line of the Utility to which service lines may be attached. |
| Domestic Customer: | Where the entire consumption of natural gas is in the living quarters of the customer. |
| Elderly | A person who is 62 years of age or older. |
| Electronic Bill/Statement: | A regular bill or statement that is presented to the customer electronically. |
| Electronic Billing: | Also referred to as "Paperless Billing." A billing option residential customers may elect whereby the customer receives, views, and pays their gas bill electronically |

First Revised A.C.C. Sheet No. 111
Canceling Original A.C.C. Sheet No. 111

RULE NO. 1

DEFINITIONS

(Continued)

Inability to Pay

Circumstances where a residential customer:

1. Is not gainfully employed and unable to pay, or
2. Qualifies for government welfare assistance, but has not begun to receive assistance on the date that he receives his bill and can obtain verification from the government welfare assistance agency, or
3. Has an annual income below the published federal poverty level and can produce evidence of this, and
4. Signs a declaration verifying that he meets one of the above criteria and is either elderly, handicapped, or suffers from an illness.

Industrial Boiler Fuel:

Natural gas used in a boiler as a fuel for the generation of steam or electricity.

Industrial Customer:

A customer who is engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, excluding electric power generation.

Intra-day Nomination:

A Nomination submitted after the nominating deadline for Daily and Standing Nominations specified in Section 6.1 of Schedule T-1 which has an effective time no earlier than the beginning of the next Gas Day, and which has an ending time no later than the end of that Gas Day.

Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

| | | |
|-----------|----------------------|-----------------------------|
| | <u>First Revised</u> | A.C.C. Sheet No. <u>112</u> |
| Canceling | <u>Original</u> | A.C.C. Sheet No. <u>112</u> |

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|-------------------------------------|--|
| Inter-Divisional Capacity Transfer: | A mechanism by which the unused off-peak interstate capacity of one of the Utility's divisions is utilized by another of the Utility's divisions to procure and transport otherwise inaccessible economically priced gas. The division owning the off-peak capacity receives benefit in the form of credits to its Gas Cost Balancing Account. The division utilizing the off-peak capacity receives benefit through reduction in its purchased gas costs. |
| Input Rating: | The number of Btus specified on the appliance rating tag needed to operate the appliance. Normally expressed in Btus per hour. |
| Irrigation Customer: | Where natural gas is utilized by internal combustion engines for agricultural irrigation purposes. |
| Law: | A rule or rules as established and enforced by government authorities. |
| Main Extension: | The addition of pipe to an existing main to provide service to new customers. |
| Margin: | The currently effective commodity delivery charges multiplied by the units of gas used plus the basic service charge is the margin. |
| Master Meter Customer: | A customer who receives gas at a central point and distributes said gas through a piping system not owned and operated by the Utility to tenants or occupants for their individual consumption. |
| Mcf: | One thousand (1,000) cubic feet. |

Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006
Decision No. 68487

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|---------------------------------|---|
| Service Line: | A natural gas pipe that transports gas from a common source of supply (normally a distribution main) to the point of delivery. |
| Service Line Extension: | Consists of a service line provided for a new customer at a premise not heretofore served, in accordance with the service line extension rule. |
| Service Establishment Charge: | A charge as specified in the Utility's tariffs for establishing a new account. |
| Service Reconnect Charge: | A charge as specified in the Utility's tariffs which must be paid by the customer prior to reconnection of natural gas service each time the service is disconnected for nonpayment or whenever service is discontinued for failure to comply with the Utility's tariffs. |
| Service Reestablishment Charge: | A charge as specified in the Utility's tariffs for service at the same location where the same customer had ordered a service disconnection within the preceding 12-month period. |
| Shrinkage: | The cost of the gas volumes lost, unaccounted for, or used as company fuel in the transportation process and represented by the differential between the cost of gas on a sales basis and the cost of gas on a purchased basis. |
| Single-Family Residential: | A detached house or any other permanent single-family residential dwelling that receives the benefits of natural gas service through an individual meter. |
| Southwest Vista: | An Electronic Bulletin Board service for subscribing users with computers and modems to dial up over telephone lines and access the many features available. The bulletin board is a communication tool that can support many users simultaneously. |

Canceling First Revised A.C.C. Sheet No. 118
Original A.C.C. Sheet No. 118

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|-----------------------------|---|
| Standard Delivery Pressure: | 0.25 pounds per square inch gauge at the meter or point of delivery. |
| Standard Mantle: | A mantle which consumes a maximum of 2.6 cubic feet of gas per hour. |
| Standing Nomination: | A Daily Nomination which is effective for multiple Gas Days. Standing Nominations cannot exceed the term of the customer's Transportation Service Agreement. A Standing Nomination can be replaced by a new Daily Nomination or Intra-day Nomination; however, upon the expiration of such replacement Nomination, the Standing Nomination becomes effective again. |
| Storage Injection Gas: | Natural gas injected by a distributor into storage for later use. |
| Subdivision: | An area for single family dwellings which may be identified by filed subdivision plans. |
| Summer Season: | The six-month period beginning May 1 and ending October 31. |
| Supplemental Gas Supply: | Natural gas purchased by the Utility from all sources other than the base gas supply. |
| Supply Curtailment: | A condition occurring when the demand for natural gas exceeds the available supply of gas. This condition can occur due to supply failure or upstream pipeline capacity curtailment. |
| Tariffs: | The documents filed with and approved by the Commission which list the rules, regulations, services and products offered by the Utility and which set forth the terms and conditions and a schedule of the rates and charges for those services and products. |
| Tariff Sheets: | The individual sheets included in the tariff. |

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|------------------------------------|--------------------------------|-----------------------------------|
| Issued On <u>October 30, 2001</u> | Issued by <u>Edward S. Zub</u> | Effective <u>November 1, 2001</u> |
| Docket No. <u>G-01551A-00-0309</u> | Executive Vice President | Decision No. <u>64172</u> |

Canceling 1st Revised A.C.C. Sheet No. 119
Original A.C.C. Sheet No. 119

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|----------------------------------|--|
| Temporary Service: | Service to premises or enterprises which the service will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative character is also considered temporary service. |
| Therm: | A unit of heating value, equivalent to 100,000 British thermal units (Btus). |
| Third-Party Notice: | A notice sent to an individual or a public entity willing to receive notification, of the pending discontinuance of service to a customer of record in order to make arrangements on behalf of said customer satisfactory to the Utility. |
| Transmission Main: | A pipeline installed for the purpose of transmitting gas from a source of supply to distribution center, storage facility or large volume customer(s). |
| Transportation Billing Quantity: | A customer's monthly scheduled transportation quantity or, if transportation service is provided at separate premises under a single service agreement, the sum of a customer's metered quantities, including the effect of any adjustment for cycle billing. |
| Transportation Customer: | A customer who meets the applicability provisions of the transportation tariff and elects to purchase gas from a supplier other than the Utility. The Utility provides the service of delivering the customer's gas from the interconnect with the upstream pipeline to the customer's facility. |
| Utility: | The public service corporation providing gas service to the public in compliance with state law. |

Issued On September 14, 1999
Docket No. G-01551A-98-0378

Issued by
John P. Hester
Vice President

Effective October 8, 1999
Decision No. 61977

Canceling Second Revised A.C.C. Sheet No. 120
First Revised A.C.C. Sheet No. 120

RULE NO. 1

DEFINITIONS

(Continued)

| | |
|---|--|
| Utility's Operating Convenience: | This term refers to the utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations. It does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities. |
| Weather Especially Dangerous to Health: | That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanographic and Administration Service, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast. The Commission may determine that other weather conditions are especially dangerous to health as the need arises. |
| Winter Season: | The six-month period beginning November 1 and ending April 30. |
| Workday: | The time period between 8 a.m. and 5 p.m., Monday through Friday, excluding holidays. |

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|------------------------------------|--------------------------------|-----------------------------------|
| Issued On <u>October 30, 2001</u> | Issued by <u>Edward S. Zub</u> | Effective <u>November 1, 2001</u> |
| Docket No. <u>G-01551A-00-0309</u> | Executive Vice President | Decision No. <u>64172</u> |

P.O. Box 98510

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Arizona Gas Tariff No. 7

Arizona Division

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|-----------|---------------|------------------|-----|
| | First Revised | A.C.C. Sheet No. | 193 |
| Canceling | Original | A.C.C. Sheet No. | 193 |

RULE NO. 4

MINIMUM CUSTOMER INFORMATION REQUIREMENTS*(Continued)*B. INFORMATION FOR RESIDENTIAL CUSTOMERS *(Continued)*

- c. Billing and collection
- d. Complaint handling
- 3. The Utility, upon request of the customer of record, shall transmit a written statement of actual consumption by such customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.
- 4. The Utility shall determine the most applicable tariff for the customer and notify the customer of such prior to service commencement.
- 5. The Utility shall inform all new customers of their rights to obtain the information specified above.

C. INFORMATION REQUIRED DUE TO BASE TARIFF RATE CHANGES

The Utility shall notify the affected customers of any base tariff rate change.

D. CHANGE OF TARIFF SCHEDULE BY CUSTOMER

Should a customer be eligible and elect to take service under a different applicable rate schedule, the change will become effective after the regular meter reading next following the date of such request. The Utility may refuse to permit such a change unless service has been established under the current tariff schedule for a period of not less than 12 months, except customers served under Schedule Nos. G-30 and B-1 need only have taken service for a period of not less than six months, and except such change will be permitted when an applicable new or revised tariff schedule is first put into effect or the customer's operations have changed so as to justify immediate transfer to a different schedule. It is the customer's responsibility to notify the Utility of changes in their load requirements.

| | | | | | |
|------------|------------------|--------------------------|---------------|--------------|-------------------|
| Issued On | January 5, 2001 | Issued by | Edward S. Zub | Effective | February 16, 2001 |
| Docket No. | G-01551A-01-0023 | Executive Vice President | | Decision No. | 63388 |

RULE NO. 5

MASTER METERING

A. MOBILE HOME PARKS -- NEW CONSTRUCTION/EXPANSION

1. The Utility will not accept any application for master-metered service to a master-metered mobile home park (MMP) after September 24, 1980.
2. The Utility shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is to be individually metered by the Utility. Main extensions and service line connections to serve such new construction or expansion shall be governed by the main extension and/or service line connection tariff of the Utility.
3. Permanent residential mobile home parks for the purpose of this rule shall mean mobile home parks where, in the opinion of the Utility, the average length of residency is a minimum of six months.
4. For the purposes of this rule, expansion means construction which has been started for additional permanent residential spaces subsequent to the effective date of this rule.
5. Requests to serve master-metered mobile home parks (MMP) through individual residential meters where the MMP is currently or was formerly served under a master-metered mobile home park schedule shall be considered by the Utility in accordance with Rule No. 6, Section B.

RULE NO. 6

SERVICE AND MAIN EXTENSIONS*(Continued)*B. SERVICE AND MAIN EXTENSIONS TO APPLICANTS FOR SERVICE *(Continued)*

3. If the residential customers are tenants in a fully improved MMP and the MMP is currently or was formerly served under a master-metered mobile home park schedule, the allowable investment for the MMP will be determined by the following formula:

$$AI = (FR - CR) \times 5$$

where:

AI = Allowable Investment

FR = The MMP's estimated future total annual revenue, assuming conversion to individual residential service, using the MMP's average park occupancy for the past two years, less the Utility's current average cost of purchased gas to serve the MMP as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 13 of this Arizona Gas Tariff.

CR = The MMP's current total annual revenue, under the applicable master-metered mobile home park schedule, averaged for the past two years, less the Utility's current average cost of purchased gas to serve the MMP as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 13 of this Arizona Gas Tariff. If the MMP is not a current customer of the Utility, the CR will be determined on the basis of engineering estimates of occupancy and usage.

The Utility will install that portion of each service in excess of the allowance subject to a nonrefundable contribution to be paid prior to construction by the applicant MMP. In no event shall costs above the allowable investment be borne by the Utility.

4. Incremental Contribution Method - Gas service and main line extensions will be made by the Utility at its expense for the allowable investment as calculated by an Incremental Contribution Study.

RULE NO. 6

SERVICE AND MAIN EXTENSIONS*(Continued)*B. SERVICE AND MAIN EXTENSIONS TO APPLICANTS FOR SERVICE *(Continued)*

- a. Allowable investment shall mean a determination by the Utility that the revenues less the incremental cost to serve the applicant customer provides a rate of return on the Utility's investment no less than the overall rate of return authorized by the Commission in the Utility's most recent general rate case.
- b. The Utility, after conducting an Incremental Contribution study may, at its option, extend its facilities to Customers whose usage does not satisfy the definition of Economic Feasibility but who otherwise are Permanent Customers provided such Customer signs an extension agreement and advances as much of the cost, and/or agrees to pay a nonrefundable Facility Charge necessary to make the extension economically feasible.
- c. Customers provided with line extensions using the Incremental Contribution Method shall be reviewed annually to determine the amount of any refund as follows:
 - (1) For a period of five years except as in Item (2) below.
 - (2) For a period of ten years for feeder mains to serve master-planned subdivisions.

5. Method of Refund

Amounts advanced by the applicant in accordance with this rule, less any unpaid Facility Charges, shall be refunded, without interest, in the following manner:

- a. Refunds of an advance shall be made for each additional separately metered permanent service connected to the main extension for which an advance was collected when an excess allowable investment is calculated by the Incremental Contribution Study for the additional customer(s).
- b. No refunds will be made for additional customers connecting to a further extension or series of extensions constructed beyond the original extension.

RULE NO. 6

SERVICE AND MAIN EXTENSIONS*(Continued)*C. SERVICE AND MAIN EXTENSIONS TO SERVE INDIVIDUALLY-METERED SUBDIVISIONS, TRACTS, HOUSING PROJECTS, MULTI-FAMILY DWELLINGS AND MOBILE HOME PARKS OR ESTATES *(Continued)*

- b. When a subdivider/builder/developer is building a project in consecutive phases such that each phase is constructed separately and requires separate advances, unused allowances from one phase may be applied to an outstanding advance in any other phase so long as such outstanding advance is still eligible for refund.
- c. See Rule No. 6, Section B.3(h) for governing requests to serve MMP through individual residential meters if the MMP is currently or was formerly served under a MMP schedule.

D. RESIDENTIAL AMORTIZATION PROGRAM

The Utility shall establish a residential amortization program for the purpose of amortizing the portion of the cost of main and service extensions in excess of the Utility's allowable investment in those instances where such excess cost presents an undue burden upon the customer if paid as a lump sum. This program may be offered to groups of ten or more direct residential customers which are judged by the Utility to be of a permanent and continuing nature. Pursuant to the program, main and service line extension contracts may be established to amortize that portion of an extension project's cost in excess of the Utility's allowable investment.

The Utility will make its decision on whether to offer amortization of a project's line extension expense on a case-by-case basis considering the following criteria:

- 1. The magnitude of the amount of the line extension cost for which the customer is responsible;
- 2. The degree of certainty with which the Utility may recover the line extension costs that it permits a group of customers to amortize; and

RULE NO. 6

SERVICE AND MAIN EXTENSIONS*(Continued)*E. GENERAL CONDITIONS *(Continued)*

12. Other Types of Connections

Where an applicant or customer requests a type of service connection other than standard such as curb meters and vaults, etc., the Utility will consider each such request and will grant such reasonable allowance as it may determine. The Utility shall install only those facilities that it determines are necessary to provide standard natural gas service in accordance with this tariff. Where the applicant requests the Utility to install special facilities which are in addition to, or in substitution for, or which result in higher costs than the standard facilities which the Utility would normally install, the extra cost thereof shall be borne by the applicant.

13. Excess Flow Valve Installation

In accordance with The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 and Title 49, Section 192.383 of the Code of Federal Regulations, the installation of an excess flow valve, as defined in Rule No. 1, shall be performed by the Utility on new or replaced single residence service lines. If any other customer requests the installation of an excess flow valve, the Utility shall perform the installation subject to the feasibility of such installation and the customer assuming responsibility for all costs associated with installation.

14. Exceptional Cases

In unusual circumstances, when the application of this rule appears impractical or unjust to either party, the Utility or the applicant may refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

15. Taxes Associated with Nonrefundable Contributions and Advances

Any federal, state or local income taxes resulting from a nonrefundable contribution or advance by the customer in compliance with this rule will be recorded as a deferred tax and appropriately reflected in the Utility's rate base. These deferred taxes will be amortized over the remaining tax life of the asset.

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

| | | |
|-----------|--------------------|-----------------------------|
| | <u>1st Revised</u> | A.C.C. Sheet No. <u>207</u> |
| Canceling | <u>Original</u> | A.C.C. Sheet No. <u>207</u> |

RULE NO. 7

PROVISION OF SERVICE

A. UTILITY RESPONSIBILITY

1. The Utility shall be responsible for the safe transmission and distribution of gas until it passes the point of delivery to the customer. Where the Utility owns and operates a meter, regulator, pipe, fixtures, apparatus, etc. downstream of the point of delivery, the Utility shall be responsible for the Utility's equipment as provided for in this Rule.
2. All meters, regulators, service pipe, fixtures, and other apparatus, etc. owned and operated by the Utility upon the customer's premises for the purpose of delivering or metering gas to the customer shall continue to be the property of the Utility, and may be repaired, replaced or removed by the Utility at any time. Such equipment installed on customer's premises shall be maintained in safe operating condition by the Utility.
3. The Utility shall not be responsible for any loss or damage occasioned or caused by the negligence or wrongful act of the customer or any of his agents, employees or licensees in installing, maintaining, using, operating, interfering with, or failing to support or protect any such meters, regulators, gas piping, appliances, fixtures or apparatus, etc.
4. The customer shall provide a leak tight system for receiving gas. If any leakage exists at time of turn-on, service will be denied until the customer has eliminated all leaks. The Utility may also refuse service until a certificate executed by an authorized public official is issued. The Utility has the right but not the obligation to refuse service to any customer or discontinue service with or without notice if, in the Utility's opinion, the facilities beyond the point of delivery are unsafe or present a hazardous or potentially hazardous condition.

B. CUSTOMER RESPONSIBILITY

1. The customer shall, at the customer's sole risk and expense, furnish, install and keep in good and safe condition all regulators, customer piping, appliances, alarms, fixtures, and apparatus of any kind or character located beyond the point of delivery, including all necessary protective appliances and suitable housing therefore.
2. The customer will be solely responsible for the loss of gas or damage caused by gas that passes beyond the point of delivery. Where the Utility owns and operates a meter, regulator, pipe, fixtures, apparatus, etc., downstream of the point of delivery, the customer shall not be responsible for the loss of gas or damage caused by that Utility equipment.

Issued On December 31, 2011
Docket No. G-01551A-10-0458

Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
Decision No. 72723

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

| | | |
|-----------|--------------------|-----------------------------|
| | <u>1st Revised</u> | A.C.C. Sheet No. <u>208</u> |
| Canceling | <u>Original</u> | A.C.C. Sheet No. <u>208</u> |

RULE NO. 7

PROVISION OF SERVICE*(Continued)*B. CUSTOMER RESPONSIBILITY *(Continued)*

3. No rent or other charge whatsoever will be made by the customer against the Utility for placing or maintaining said meters, regulators, service pipe, fixtures, etc., upon the customer's premises. All meters will be sealed or soldered by the Utility, and no such seal or solder shall be tampered with or broken except by a representative of the Utility appointed for that purpose. The customer shall exercise reasonable care to prevent the meters, regulators, service pipe, fixtures, etc., of the Utility upon said premises from being injured or destroyed, and shall refrain from interfering with the same and, in case of defect therein or damage thereto shall be discovered, shall promptly notify the Utility thereof. The customer shall reimburse the Utility for the cost of repairs arising from the customer's neglect, carelessness, misuse or abuse.
4. The Utility shall have the right to refuse or to discontinue gas service if the acts of the customer or the conditions upon his premises are such as to indicate intention to defraud the Utility. When the Utility has discovered that a customer has obtained service by fraudulent means, or has used the gas service for unauthorized purposes, the service to that customer may be discontinued without notice. The Utility will not restore service to such customer until that customer has complied with all filed Rules and reasonable requirements of the Utility and the Utility has been reimbursed for the full amount of the service rendered and the actual cost to the Utility incurred by reason of the fraudulent use.
5. The customer shall immediately call 911 and the Utility upon the discovery of any gas leaks or other hazardous or potentially hazardous conditions in or upon the customer's or the Utility's natural gas meter, regulators, piping, equipment, premises, etc. The customer shall call the Utility at following numbers at any time of the day or night:

Central Arizona: (800) 528-4277

(Areas in and around Phoenix and Wickenburg)

Southern Arizona: (800) 722-4277

(Areas in and around Tucson, Green Valley, Casa Grande, Coolidge, Sierra Vista, Douglas, Morenci, Globe, Oracle, and Yuma)

Northwestern Arizona: (800) 447-5422

(Areas in and around Bullhead City, Parker, and Ehrenberg)

Issued On December 31, 2011
Docket No. G-01551A-10-0458

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John P. Hester
Senior Vice President

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RULE NO. 7

PROVISION OF SERVICE*(Continued)*

C. CONTINUITY OF SERVICE

1. The Utility will exercise reasonable diligence to furnish a continuous and sufficient supply of gas to its customers and to avoid any shortage or interruption of delivery. The Utility will not be liable for interruptions or shortages of supply, nor for any loss or damage occasioned thereby, whether such interruptions or shortages occurred with or without notice to the customer.
2. The Utility shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from any cause against which the Utility could not have reasonably foreseen or made provision for.
3. The Utility has the right to suspend service temporarily for the purpose of making necessary repairs, maintenance or improvements to the system. When this is necessary, the Utility will endeavor to give affected customers reasonable notice where circumstances permit, and will proceed with work with reasonable diligence.
4. The Utility shall not be responsible for any damage or claim of damage attributable to curtailment (paragraph G).

D. CHANGE IN CHARACTER OF SERVICE

1. When a change is made by the Utility in the type of service rendered which would adversely affect the efficiency of operation or require the adjustment of the equipment of customers, all customers who may be affected shall be notified by the Utility at least 30 days in advance of the change or, if such notice is not possible, as early as feasible. Where adjustments or replacements of the Utility's standard equipment must be made to permit use under such changed conditions, adjustments shall be made by the Utility without charge to the customers.

RULE NO. 7

PROVISION OF SERVICE*(Continued)*D. CHANGE IN CHARACTER OF SERVICE *(Continued)*

2. In cases when changes are required due to customer requirements such as increased delivery pressure, larger meter capacity, etc., the Utility at its option may make the changes so long as the changes will not be detrimental to other customers as determined by the Utility. The Customer may be required to reimburse the Utility for such customer required changes.

E. SERVICE INTERRUPTIONS

1. When service interruptions occur the Utility shall make reasonable effort to restore service in the shortest time. The Utility shall have procedures to be followed to mitigate interruptions or impairment of service due to emergencies.
2. Under disaster conditions the Utility will cooperate to the fullest extent with the governmental agency having authority in the area. The Utility may, in the public interest, interrupt service to customers to provide necessary service to civil defense or other emergency service agencies until normal service can be provided.
3. The Utility shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from any cause against which the Utility could not have reasonably foreseen or made provision for.
4. When an interruption in service is scheduled for more than four hours to perform maintenance or repairs, the Utility shall attempt to inform affected customers of the date and duration of the interruption at least 24 hours in advance.

RULE NO. 7

PROVISION OF SERVICE*(Continued)*E. SERVICE INTERRUPTIONS *(Continued)*

5. The Commission shall be notified by telephone within four hours after a responsible representative of the Utility becomes aware of interruptions affecting a major portion of the Utility's system. The Utility will follow the telephonic notification with a written report.

F. DESCRIPTION OF SERVICE

1. Heating value

Gas supplied in the Utility's service area consists of natural gas having an average total heating value of not less than 900 Btus per cubic foot.

2. Standard Delivery Pressure

- a. The standard delivery pressure maintained at the outlet of the meter supplying the customer will be approximately 0.25 pounds per square inch gauge (7-inch water column) subject to variation under load conditions.
- b. In cases where a customer desires service at greater than standard delivery pressure, the Utility may supply at its option such greater pressure if, and only as long as, the furnishing of gas to such customer at higher than standard delivery pressure will not be detrimental to the service to other customers of the Utility. The Utility reserves the right to lower said delivery pressure or discontinue the delivery of gas at higher pressure at any time upon reasonable notice to the customer. Where service is provided at such higher pressure, the meter volumes shall be corrected to that higher pressure for billing purposes in accordance with the definition of a cubic foot set forth in Rule No. 1.

RULE NO. 7

PROVISION OF SERVICE
(Continued)

G. CURTAILMENT (Continued)

- Priority 4: Industrial requirements for boiler fuel use at less than 30,000 therms per peak day, but more than 15,000 therms per peak day, where alternate fuel capabilities can meet such requirements.
- Priority 5: Industrial requirements for large volume (30,000 therms per peak day or more) boiler fuel use where alternate fuel capabilities can meet such requirements.
3. In the event of isolated incidents in order to avoid hazards and protect the public, the Utility may temporarily interrupt service to certain customers without regard to priority or any other customer classification.
4. The Utility shall not be responsible for any damage or claim of damage attributable to the aforementioned curtailment.

H. CONSTRUCTION STANDARDS AND SAFETY

1. The Utility shall fulfill its responsibility for warning and for the safe distribution of gas by designing, constructing, testing, inspecting, operating, and maintaining its transmission and distribution Systems upstream of the point of delivery in compliance with the Federal Safety Standards for intrastate natural gas pipeline facilities and the Commission's safety standards for natural gas pipeline facilities.
2. When Utility owned and operated equipment is located downstream of the point of delivery:
- a. The federal safety standards for intrastate natural gas pipeline facilities and the Commission's safety standards for natural gas pipeline facilities do not apply to the customer piping.
- b. Although the gas within the Utility owned and operated equipment downstream of the point of delivery is not in transportation, the Utility shall fulfill its responsibility for warning and for designing, constructing, testing, inspecting, operating, and maintaining that Utility equipment by complying with the requirements of the Federal Safety Standards for intrastate natural gas pipeline facilities and the Commission's safety standards for natural gas pipeline facilities.

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| | <u>1st Revised</u> | A.C.C. Sheet No. <u>219</u> |
| Canceling | <u>Original</u> | A.C.C. Sheet No. <u>219</u> |

RULE NO. 7

PROVISION OF SERVICE*(Continued)*H. CONSTRUCTION STANDARDS AND SAFETY *(Continued)*

- c. No municipal, county or other local code, ordinance, franchise, regulation, rule, opinion, decision, order or other law, such as a development code, building code, plumbing code, fuel gas code, fire alarm and signaling code, administrative code, or electrical code, shall apply to the permitting, design, construction, testing, inspection, operation, or maintenance of any meter, regulator, pipe, fixtures, apparatus, etc. owned and operated by the Utility that is downstream of the point of delivery.
- 3. All accidents attributed to leakage or explosion of natural gas or fires which result in injury requiring hospitalization, fatality, or property damage estimated to exceed \$5,000, if said injury, death or damage is attributable to failure or accident involving the Utility or if the cause of said leakage, explosion or fire resulted from a failure or accident involving the Utility's property shall be reported. The location of all such accidents shall be reported by telephone within four hours after a responsible representative of the Utility becomes aware of said accident to the person holding one of the following positions with the Commission:
 - a. Gas Safety Engineer
 - b. Civil Engineer Technician II
 - c. Chief Engineer
 - d. Director of Utilities Division
- 4. Any accident reported by telephone shall be followed by a written report to the Commission.

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Issued by
John P. Hester
Senior Vice President

Effective January 1, 2012
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RULE NO. 8

METER READING*(Continued)*

D. FACILITIES ON CUSTOMER'S PREMISES

2. Utility's Right of Ingress to and Egress from the Customer's Premises

- a. Upon application for gas service and the establishment of service pursuant thereto, the customer shall be deemed to grant to the Utility and its assigns, to whatever extent the customer may be empowered to make such grant, an irrevocable easement upon and through the customer's premises for the location of the facilities of the Utility required to provide service. Any such grant from the owner of the premises serviced shall be deemed to be an easement running with the land, and shall bind his heirs and assigns.
- b. The Utility shall at all times have the right of ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of gas, and the exercise of any and all rights secured to it by law or these rules.
- c. The Utility shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises at the termination of service.

E. SERVICE CONNECTIONS MADE BY UTILITY'S EMPLOYEES

Only duly authorized employees or agents of the Utility are allowed to connect the service pipe to, or disconnect the same from the Utility's gas facilities, or to install, or establish service at the meter or regulator assembly.

Canceling First Revised A.C.C. Sheet No. 226A
Original A.C.C. Sheet No. 226A

RULE NO. 9

BILLING AND COLLECTION

(Continued)

E. BILLING TERMS (Continued)

5. When it becomes necessary to collect a delinquent payment in the field to avoid termination of service, the Utility will collect a field collection fee as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 15 of this Arizona Gas Tariff.

F. SUMMARY BILLING

Summary Billing is an optional billing service for sales customers whereby customers with several individual accounts may receive a summary bill with summarized billing data for these accounts. A summary bill may be generated in lieu of the individual bills under the following conditions:

1. Customers electing this service shall execute a service agreement in order to participate in Summary Billing.
2. Eligibility for this service is limited to customers with a minimum of ten (10) individual accounts.
3. The customer name on all of the individual accounts summarized under any one Summary Billing account must be the same.
4. Each month's payment of a summary bill for the "Amount Due" must be one (1) payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Utility in U.S. currency, unless other arrangements acceptable to the Utility have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within fifteen (15) days after its issuance.
6. The Utility shall not be required to offer or to continue to offer Summary Billing to any customer whose account(s) is(are) past due or in arrears.
7. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Gas Tariff are applicable to Summary Billing and are made a part hereof.

Issued by
Issued On October 30, 2001 Edward S. Zub Effective November 1, 2001
Docket No. G-01551A-00-0309 Executive Vice President Decision No. 64172

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Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Original _____ A.C.C. Sheet No. 233
Canceling _____ A.C.C. Sheet No. _____

RULE NO. 10

TERMINATION OF SERVICE

A. NONPERMISSIBLE REASONS TO DISCONNECT SERVICE

1. The Utility may not disconnect service for any of the reasons stated below:
 - a. Nonpayment of a bill until at least a five-day advance written notice is presented to customer stating that the bill is delinquent and that the Utility may discontinue service unless the customer makes payment or contacts the local Utility office to make arrangements for payment satisfactory to the Utility. The written notice shall include the local address and telephone number of the Utility and a list of rights and remedies available to the customer.
 - b. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.
 - c. Failure of the customer to pay for services or equipment which are not regulated by the Commission.
 - d. Nonpayment of a bill related to another class of service.
 - e. Failure to pay a bill to correct a previous underbilling due to an inaccurate meter or meter failure when the customer agrees to pay over a reasonable period of time.
 - f. The Utility shall not terminate residential service where the customer has an inability to pay and:
 - (1) The customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous to the health of the customer or to a permanent resident on the customer's premises, or
 - (2) Life supporting equipment used in a home is dependent on Utility service for operation of such apparatus, or
 - (3) Where weather will be especially dangerous to health as defined herein or as determined by the Commission.

Issued On August 29, 1997
Docket No. U-1551-96-596

Issued by
Edward S. Zub
Senior Vice President

Effective September 1, 1997
Decision No. 60352

RULE NO. 11

ADMINISTRATIVE AND HEARING REQUIREMENTS

(Continued)

B. CUSTOMER BILL DISPUTES

1. Any customer who disputes a portion of a bill rendered for Utility service shall pay the undisputed portion of the bill and notify the Utility's designated representative that such unpaid amount is in dispute prior to the delinquent date of the bill.
2. Upon receipt of the customer notice of dispute, the Utility shall:
 - a. Notify the customer within five working days of the receipt of a written dispute notice.
 - b. Initiate a prompt investigation as to the source of the dispute.
 - c. Withhold disconnection of service until the investigation is completed and the customer is informed of the results. Upon the request of the customer the Utility shall provide the customer a copy of the results of the investigation in writing.
 - d. Inform the customer of his right of appeal to the Commission.
3. Once the customer has received the results of the Utility's investigation, the customer shall submit payment within five working days to the Utility for any disputed amounts. Failure to make full payment shall be grounds for termination of service.

C. COMMISSION RESOLUTION OF SERVICE AND/OR BILL DISPUTES

1. In the event a customer and Utility cannot resolve a service and/or bill dispute, the customer shall file a written statement of dissatisfaction with the Commission; by submitting such statement to the Commission, the customer shall be deemed to have filed an informal complaint against the Utility.