September 27, 2007

TO ALL HOLDERS OF SOUTHWEST GAS CORPORATION ARIZONA GAS TARIFF NO. 7

Subject: Revision No. 135

This revision reflects authorization by the Arizona Corporation Commission for Southwest to implement monthly gas cost rates for its customers in Arizona. The attached sheets reflect revised rates effective September 28, 2007.

The following changes should be made in your copy of Southwest's Arizona Gas Tariff No. 7:

Insert A.C.C. Sheet No.

Supersedes A.C.C. Sheet No.

Ninety-Fifth Revised Sheet No. 11 Ninety-Eighth Revised Sheet No. 12 Ninety-Fourth Revised Sheet No. 11 Ninety-Seventh Revised Sheet No. 12

Debra Jacobson, Director Government and State Regulatory Affairs

Ninety-Fifth Revised A.C.C. Sheet No. Ninety-Fourth Revised A.C.C. Sheet No.

11

STATEMENT OF RATES <u>EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES</u> **J 2' *

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Description G-5 – Single-Family Residential	Delivery Charge	<u>3</u> / Rate Adjustment	4/ Monthly Gas Cost	Currently Effective Tariff Rate
Gas Service Basic Service Charge per Month Commodity Charge per Therm:	\$ 9.70			\$ 9.70
Summer (May–October): First 15 Therms Over 15 Therms	\$.54200 .50100	\$.01263 .01263	\$.95322 .95322	\$ 1.50785 1.46685
Winter (November–April): First 35 Therms Over 35 Therms	\$.54200 .50100	\$.01263 .01263	\$.95322 .95322	\$ 1.50785 1.46685
G-6 – Multi-Family Residential				
Gas Service Basic Service Charge per Month Commodity Charge per Therm: Summer (May–October):	\$ 8.70			\$ 8.70
First 7 Therms Over 7 Therms Winter (November–April):	\$.54200 .50100	\$.01263 .01263	\$.95322 .95322	\$ 1.50785 1.46685
First 18 Therms Over 18 Therms	\$.54200 .50100	\$.01263 .01263	\$.95322 .95322	\$ 1.50785 1.46685
G-10 – Single-Family Low Income Residential Gas Service				
Basic Service Charge per Month Commodity Charge per Therm: Summer (May–October):	\$ 7.00			\$ 7.00
First 15 Therms Over 15 Therms Winter (November–April):	\$.54200 .50100	\$.00322 .00322	\$.84322 .84322	\$ 1.38844 1.34744
First 35 Therms Next 115 Therms Over 150 Therms	\$.26431 .23151 .50100	\$.00322 .00322 .00322	\$.84322 .84322 .84322	\$ 1.11075 1.07795 1.34744
G-11 – Multi-Family Low Income Residential Gas Service				
Basic Service Charge per Month Commodity Charge per Therm: Summer (May–October):	\$ 7.00			\$ 7.00
First 7 Therms Over 7 Therms Winter (November–April):	\$.54200 .50100	\$.00322 .00322	\$.84322 .84322	\$ 1.38844 1.34744
First 18 Therms Next 132 Therms Over 150 Therms	\$.26431 .23151 .50100	\$.00322 .00322 .00322	\$.84322 .84322 .84322	\$ 1.11075 1.07795 1.34744
G-15 – Special Residential Gas Service				
for Air Conditioning Basic Service Charge per Month Commodity Charge per Therm: Summer (May–October):	\$ 9.70			\$ 9.70
First 15 Therms Over 15 Therms Winter (November–April):	\$.54200 .28200	\$.00322 .00322	\$.95322 .95322	\$ 1.49844 1.23844
First 35 Therms Over 35 Therms	\$.54200 .50100	\$.00322 .00322	\$.95322 .95322	\$ 1.49844 1.45744

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STATEMENT OF RATES <u>EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES</u> (Continued)

	(Continued)				
Description	Delivery Charge	<u>3</u> / Rate Adjustment	<u>4</u> / Monthly Gas Cost	Currently Effective Tariff Rate	
G-20 – Master-Metered Mobile					
Home Park Gas Service					
Basic Service Charge per Month	\$ 60.00			\$ 60.00	
Commodity Charge per Therm:	Ψ 00.00			Ψ 00.00	
All Usage	\$.38400	\$.01263	\$.95322	\$ 1.34985	
All Osage	Ψ .50400	ψ .01203	Ψ .93322	Ψ 1.54305	
-25 – General Gas Service					
asic Service Charge per Month:					
Small	\$ 25.00			\$ 25.00	
Medium	33.00			33.00	
	145.00				
Large				145.00	
Transportation Eligible	720.00			720.00	
ommodity Charge per Therm:	e 50047	0 00000	A 05000	0 4 54004	
Small, All Usage	\$.56217	\$.00322	\$.95322	\$ 1.51861	
Medium, All Usage	.39349	.00322	.95322	1.34993	
Large, All Usage	.27211	.00322	.95322	1.22855	
Transportation Eligible	.08953	.00322	.95322	1.04597	
emand Charge per Month–					
Transportation Eligible:	_				
Demand Charge <u>5</u> /	\$.06234			\$ 0.06234	

-30 – Optional Gas Service					
asic Service Charge per Month	As specified on	A.C.C. Sheet No. 27	7.		
ommodity Charge per Therm:					
All Usage	As specified on	A.C.C. Sheet No. 28	3.	1997	
-40 - Air-Conditioning Gas Service				170	
asic Service Charge per Month	As specified on	A.C.C. Sheet No. 32	2.		
ommodity Charge per Therm:				1 - 1	
All Usage	\$.09900	\$.00322	\$.95322	\$ 1.05544	
-45 – Street Lighting Gas Service					
ommodity Charge per Therm					
of Rated Capacity:					
All Usage	\$.54600	\$.00322	\$.95322	\$ 1.50244	
55 – Gas Service for Compression					
Customer's Premises 6/					
asic Service Charge per Month:					
Small	\$ 25.00			\$ 25.00	
Large	190.00			190.00	
Residential	9.70			9.70	
ommodity Charge per Therm:					
All Usage	\$.17000	\$.00322	\$.95322	\$ 1.12644	
-					
-60 - Electric Generation Gas Service					
asic Service Charge per Month	As specified on	A.C.C. Sheet No. 40) .		
ommodity Charge per Therm:					
All Usage	\$.11400	\$.00322	\$.95322	\$ 1.07044	
-75 – Small Essential Agricultural					
User Gas Service	£ 00.00			£ 00.00	
sic Service Charge per Month	\$ 90.00			\$ 90.00	
ommodity Charge per Therm:	Ф 00000	e 00000	¢ 05000	e 4.47044	
All Usage	\$.22300	\$.00322	\$.95322	\$ 1.17944	

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