

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.