

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Canceling First Revised A.C.C. Sheet No. 1  
Original A.C.C. Sheet No. 1

TARIFF SCHEDULES

Applicable to

GAS SERVICE

of

SOUTHWEST GAS CORPORATION

Operating in

Cochise, Gila, Graham, Greenlee, La Paz, Maricopa,  
Mohave, Pima, Pinal and Yuma Counties, Arizona

These tariff schedules have been authorized by the Arizona Corporation Commission and are the effective rates and rules of this Utility.

Service will be furnished in accordance with these tariff schedules and no officer, employee or representative of the Utility has any authority to waive, alter or amend these tariff schedules or any parts thereof in any respect.

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

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling Third Revised A.C.C. Sheet No. 2  
Second Revised A.C.C. Sheet No. 2

TABLE OF CONTENTS

The following listed sheets contain all of the effective rules and regulations affecting rates and service and information relating thereto in effect on and after the date indicated thereon:

	<u>A.C.C. Sheet No.</u>
Title Page	1
Table of Contents	2 - 5
Held for Future Use	6
Preliminary Statement	7
Index of Communities	8
Held for Future Use	9 - 10
Statement of Rates – Effective Sales Rates Applicable to Arizona Schedules	11 - 13
Held for Future Use	14
Statement of Rates – Other Service Charges	15
Held for Future Use	16 - 17

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

TABLE OF CONTENTS  
(Continued)

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>A.C.C. Sheet No.</u>
G-5	Single-Family Residential Gas Service	18
G-6	Multi-Family Residential Gas Service	18A
G-10	Single-Family Low Income Residential Gas Service	19 – 20
G-11	Multi-Family Low Income Residential Gas Service	20A – 20B
G-15	Special Residential Gas Service for Air Conditioning	21 – 22
G-20	Master-Metered Mobile Home Park Gas Service	23 – 24
G-25	General Gas Service	25 – 26
G-30	Optional Gas Service	27 – 30
	Held for Future Use	31
G-40	Air-Conditioning Gas Service	32 – 33
G-45	Street Lighting Gas Service	34 – 35
	Held for Future Use	36 – 37
G-55	Gas Service for Compression on Customer's Premises	38 – 39
G-60	Electric Generation Gas Service	40 – 41
G-75	Small Essential Agricultural User Gas Service	42 – 43
G-80	Natural Gas Engine Gas Service	44 – 45
	Held for Future Use	46 – 46F

TABLE OF CONTENTS  
*(Continued)*

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>A.C.C. Sheet No.</u>
T-1	Transportation of Customer-Secured Natural Gas	51 – 70
	Held for Future Use	71 – 76
B-1	Potential Bypass/Standby Gas Service	77 – 80
	Held for Future Use	81 – 86
 <u>SPECIAL SUPPLEMENTARY TARIFF</u>		
	Purchased Gas Cost Adjustment Provision	87 – 88
	Gas Research Fund (GRF) Rate Adjustment Provision	89
	Low Income Rate Assistance (LIRA) Rate Adjustment Provision	90
	Interstate Pipeline Capacity Release Service Provision	91 – 97
	Held for Future Use	98 – 103

TABLE OF CONTENTS  
*(Continued)*

RULES

<u>Rule No.</u>	<u>Title of Sheet</u>	<u>A.C.C. Sheet No.</u>
1	Definitions	104 – 120
2	Certificated Gas Service Area	121 – 181
3	Establishment of Service	182 – 191
4	Minimum Customer Information Requirements	192 – 193
5	Master Metering	194
6	Service and Main Extensions	195 – 206
7	Provision of Service	207 – 219
8	Meter Reading	220 – 222
9	Billing and Collection	223–232A
10	Termination of Service	233 – 238
11	Administrative and Hearing Requirements	239 – 241

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Canceling \_\_\_\_\_ Original A.C.C. Sheet No. \_\_\_\_\_ 6  
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

PRELIMINARY STATEMENT

Southwest Gas Corporation is engaged in the business of purchasing and selling gas at retail in those portions of Cochise, Gila, Graham, La Paz, Maricopa, Pima, Pinal and Yuma Counties as fully described on the sheets entitled "Description of Service Area" and as shown on the maps entitled "Distribution Service Area."

These tariff schedules are designed to govern the supplying and taking of gas service in such manner as will secure to each customer the greatest practicable latitude in the enjoyment of service, consistent with good service to himself and other customers, and with safety to customers and the Utility.

These tariff schedules are on file with the Arizona Corporation Commission of the State of Arizona, are available for review at the Utility's offices and on its Internet Web site ([www.swgas.com](http://www.swgas.com)). They are a part of every contract for service and govern all classes of service, except where specific provisions in contracts or schedules modify same. All prior rules, customs or alleged understandings are hereby rescinded.

When any change is proposed to these tariffs, attention shall be directed to such change on the tariff sheet(s) filed with the Commission by the symbols as set forth below:

- (C) To signify changed listing, rule or condition which may affect rates or charges.
- (D) To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify increase.
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but not change in rate, rule or condition.

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
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	



SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Canceling \_\_\_\_\_ Original A.C.C. Sheet No. 9-10  
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

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Eightieth Revised A.C.C. Sheet No. 11

Canceling Seventy-Ninth Revised A.C.C. Sheet No. 11

**STATEMENT OF RATES**  
**EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES <sup>1/2/</sup>**

Description	Delivery Charge	<sup>3/</sup> Rate Adjustment	<sup>4/</sup> Monthly Gas Cost	Currently Effective Tariff Rate
<b>G-5 – Single-Family Residential Gas Service</b>				
Basic Service Charge per Month	\$ 9.70			\$ 9.70
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$ .54200	\$ .00947	\$ .84947	\$ 1.40094
Over 15 Therms	.50100	.00947	.84947	1.35994
Winter (November–April):				
First 35 Therms	\$ .54200	\$ .00947	\$ .84947	\$ 1.40094
Over 35 Therms	.50100	.00947	.84947	1.35994
<b>G-6 – Multi-Family Residential Gas Service</b>				
Basic Service Charge per Month	\$ 8.70			\$ 8.70
Commodity Charge per Therm:				
Summer (May–October):				
First 7 Therms	\$ .54200	\$ .00947	\$ .84947	\$ 1.40094
Over 7 Therms	.50100	.00947	.84947	1.35994
Winter (November–April):				
First 18 Therms	\$ .54200	\$ .00947	\$ .84947	\$ 1.40094
Over 18 Therms	.50100	.00947	.84947	1.35994
<b>G-10 – Single-Family Low Income Residential Gas Service</b>				
Basic Service Charge per Month	\$ 7.00			\$ 7.00
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$ .54200	\$ .00279	\$ .73947	\$ 1.28426
Over 15 Therms	.50100	.00279	.73947	1.24326
Winter (November–April):				
First 35 Therms	\$ .28515	\$ .00279	\$ .73947	\$ 1.02741
Next 115 Therms	.25235	.00279	.73947	0.99461
Over 150 Therms	.50100	.00279	.73947	1.24326
<b>G-11 – Multi-Family Low Income Residential Gas Service</b>				
Basic Service Charge per Month	\$ 7.00			\$ 7.00
Commodity Charge per Therm:				
Summer (May–October):				
First 7 Therms	\$ .54200	\$ .00279	\$ .73947	\$ 1.28426
Over 7 Therms	.50100	.00279	.73947	1.24326
Winter (November–April):				
First 18 Therms	\$ .28515	\$ .00279	\$ .73947	\$ 1.02741
Next 132 Therms	.25235	.00279	.73947	0.99461
Over 150 Therms	.50100	.00279	.73947	1.24326
<b>G-15 – Special Residential Gas Service for Air Conditioning</b>				
Basic Service Charge per Month	\$ 9.70			\$ 9.70
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$ .54200	\$ .00279	\$ .84947	\$ 1.39426
Over 15 Therms	.28200	.00279	.84947	1.13426
Winter (November–April):				
First 35 Therms	\$ .54200	\$ .00279	\$ .84947	\$ 1.39426
Over 35 Therms	.50100	.00279	.84947	1.35326

Issued On June 21, 2006  
Docket No. G-00000C-98-0568

Issued by  
John P. Hester  
Senior Vice President

Effective June 29, 2006  
Decision No. 62994

**STATEMENT OF RATES**  
**EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES <sup>1/ 2/</sup>**  
*(Continued)*

<u>Description</u>	<u>Delivery Charge</u>	<u><sup>3/</sup> Rate Adjustment</u>	<u><sup>4/</sup> Monthly Gas Cost</u>	<u>Currently Effective Tariff Rate</u>
<u>G-20 – Master-Metered Mobile Home Park Gas Service</u>				
Basic Service Charge per Month	\$ 60.00			\$ 60.00
Commodity Charge per Therm:				
All Usage	\$ .38400	\$ .00947	\$ .84947	\$ 1.24294
<u>G-25 – General Gas Service</u>				
Basic Service Charge per Month:				
Small	\$ 25.00			\$ 25.00
Medium	33.00			33.00
Large	145.00			145.00
Transportation Eligible	720.00			720.00
Commodity Charge per Therm:				
Small, All Usage	\$ .56217	\$ .00279	\$ .84947	\$ 1.41443
Medium, All Usage	.39349	.00279	.84947	1.24575
Large, All Usage	.27211	.00279	.84947	1.12437
Transportation Eligible	.08953	.00279	.84947	0.94179
Demand Charge per Month– Transportation Eligible:				
Demand Charge <sup>5/</sup>	\$ .062340			\$ 0.062340
<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	\$ .09900	\$ .00279	\$ .84947	\$ 0.95126
<u>G-45 – Street Lighting Gas Service</u>				
Commodity Charge per Therm of Rated Capacity:				
All Usage	\$ .54600	\$ .00279	\$ .84947	\$ 1.39826
<u>G-55 – Gas Service for Compression on Customer's Premises <sup>6/</sup></u>				
Basic Service Charge per Month:				
Small	\$ 25.00			\$ 25.00
Large	190.00			190.00
Residential	9.70			9.70
Commodity Charge per Therm:				
All Usage	\$ .17000	\$ .00279	\$ .84947	\$ 1.02226
<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	\$ .11400	\$ .00279	\$ .84947	\$ 0.96626
<u>G-75 – Small Essential Agricultural User Gas Service</u>				
Basic Service Charge per Month	\$ 90.00			\$ 90.00
Commodity Charge per Therm:				
All Usage	\$ .22300	\$ .00279	\$ .84947	\$ 1.07526

**STATEMENT OF RATES**  
**EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES <sup>1/ 2/</sup>**  
*(Continued)*

Description	Delivery Charge	<sup>3/</sup> Rate Adjustment	<sup>4/</sup> Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-80 – Natural Gas Engine <sup>7/</sup> Gas Service</u>				
Basic Service Charge per Month:				
Off-Peak Season (October–March)	\$ 0.00			\$ 0.00
Peak Season (April–September)	\$ 95.00			\$ 95.00
Commodity Charge per Therm:				
All Usage	\$ .17700	\$ .00279	\$ .74768	\$ 0.92747

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 \$.00715 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.

3/ (a) For Schedule Nos. G-5, G-6 and G-20, the Rate Adjustment includes \$.00668 per therm to recover LIRA program costs. This charge shall be updated annually effective May 1.

(b) For all rate schedules except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00094 per therm to fund DSM Program costs. This charge shall be updated annually effective April 1.

(c) For all rate schedules, except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00113 per therm for the Gas Research Fund. This charge shall be updated annually effective May 1.

(d) For all rate schedules, the Rate Adjustment includes \$.00072 per therm for the Department of Transportation (DOT) Safety Program costs. This charge shall be updated annually effective May 1 and will expire on February 28, 2009.

4/ Except for Schedule Nos. G-10, G-11, G-30 and G-80, the Monthly Gas Cost includes \$.11000 per therm to reduce the unrecovered balance in the Gas Cost Balancing Account.

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

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

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

Issued On April 21, 2006  
 Docket No. G-01551A-01-0060/  
G-01551A-04-0876

Issued by  
 John P. Hester  
 Vice President

Effective May 1, 2006  
 Decision No. 63598/68649

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling Tenth Revised A.C.C. Sheet No. 14  
Ninth Revised A.C.C. Sheet No. 14

HELD FOR FUTURE USE

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

STATEMENT OF RATES  
OTHER SERVICE CHARGES <sup>1/</sup>

<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> <sup>2/</sup>		
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 <sup>3/</sup>		\$ 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

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

<sup>2/</sup> 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.

<sup>3/</sup> 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.

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

	<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





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.

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 applicable to the first 150 therms per month during the winter season (November through April) 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-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 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.



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 (November through April) 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 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.

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.
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.

Schedule No. G-15

SPECIAL RESIDENTIAL GAS SERVICE  
FOR AIR CONDITIONING

APPLICABILITY

Applicable to gas service to residential customers formerly served under Schedule Nos. AG-15 and PG-15 as of August 31, 1993 and to residential customers with installed gas air conditioning.

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 charges 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. A customer under this schedule may not elect service under a different applicable schedule unless service has been rendered under this schedule for a period of 12 or more months, or until a new or revised schedule is established.
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.

Schedule No. G-15

SPECIAL RESIDENTIAL GAS SERVICE  
FOR AIR CONDITIONING

*(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.

Schedule No. G-20

MASTER-METERED MOBILE HOME PARK GAS SERVICE

APPLICABILITY

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.





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 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.

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.

Schedule No. G-30

OPTIONAL GAS SERVICE

APPLICABILITY

Applicable to natural gas use by customers that qualify for service under this schedule according to either Applicability Provision (1), (2) or (3) below:

1. Customers whose average monthly requirements on an annual basis are greater than 11,000 therms per month and who have installed facilities capable of burning alternate fuels or energy.
2. Customers whose average monthly requirements on an annual basis are greater than 11,000 therms per month and who can demonstrate to the Utility sufficient evidence of economic hardship under the customer's otherwise applicable sales tariff schedule.
3. Customers whose requirements may be served by other natural gas suppliers at rates lower than the customer's otherwise applicable gas sales tariff schedule. As a condition precedent to qualifying for service under this applicability provision, the customer must qualify for transportation service under Schedule No. T-1 and establish that bypass is economically, operationally and physically feasible and imminent.

This optional schedule is not available for partial requirements gas service where gas is used in combination with alternate fuels or energy, or with natural gas provided by other suppliers. Any gas service rendered to customers not in conformance with the provisions of this schedule shall be billed under the otherwise applicable gas sales tariff schedule.

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 the charge per meter set as set forth in the customer's otherwise applicable gas sales tariff schedule and is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff or the charge as set forth in the customer's service agreement.

## 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 purchased by the Utility for system supply during the month; (2) an amount to reflect the Utility's upstream pipeline capacity charge; 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.

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.



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.

SOUTHWEST GAS CORPORATION  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Arizona Gas Tariff No. 7  
Arizona Division

Canceling Second Revised A.C.C. Sheet No. 31  
First Revised A.C.C. Sheet No. 31

HELD FOR FUTURE USE

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-40

AIR-CONDITIONING GAS SERVICE

APPLICABILITY

Applicable to gas service to commercial or industrial customers as defined in Rule No. 1 of this Arizona Gas Tariff who qualify for service under Schedule No. G-25 and who have installed and regularly operate a gas-fired air-conditioning system which meets the Utility's specifications and approval.

All of the provisions of the customer's otherwise applicable gas sales tariff schedule shall apply to this service unless specifically modified within this schedule.

The volume of gas used for air-conditioning only purposes shall be determined by metering equipment installed by the Utility, unless, a written agreement is executed by the customer and the Utility that sets forth the estimated gas volumes or the methodology to determine the volumes to be billed under this schedule.

Service for any end use of gas other than for air-conditioning purposes, such as space heating, water heating, processing or boiler fuel use, is not permitted under this schedule and shall be billed under the otherwise applicable gas sales tariff schedule. Volumes billed under this schedule may not be used for purposes of establishing the customer's average monthly requirements under Schedule No. G-25.

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 the charge under the customer's otherwise applicable gas sales tariff schedule. The basic service 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.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge as set forth in the customer's otherwise applicable gas sales tariff schedule.

Schedule No. G-40

AIR-CONDITIONING GAS SERVICE

(Continued)

SPECIAL CONDITIONS

1. The customer may receive service under this schedule separately or in combination with another schedule. In either event, the customer will be required to pay only the basic service charge contained in the otherwise applicable gas sales tariff schedule. The customer shall not be required to pay more than a single basic service charge for gas service in any given month.
2. Gas service under this schedule is not available for "standby" or occasional temporary service.
3. 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.
4. The term "otherwise applicable gas sales tariff schedule" as used herein excludes all optional tariff schedules.

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-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.

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.

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Original \_\_\_\_\_ A.C.C. Sheet No. 35  
Canceling \_\_\_\_\_ A.C.C. Sheet No. \_\_\_\_\_

Schedule No. G-45

STREET LIGHTING 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.

Issued On August 29, 1997 Issued by Edward S. Zub Effective September 1, 1997  
Docket No. U-1551-96-596 Senior Vice President Decision No. 60352

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

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

Schedule No. G-55

GAS SERVICE FOR COMPRESSION ON CUSTOMER' S PREMISES

APPLICABILITY

Applicable to gas service to natural gas vehicle (NGV) operators and retail distributors for the sole purpose of compressing natural gas for use as a fuel in vehicular internal combustion engines. Small compressed natural gas customers are defined as NGV operators and retail distributors whose compression equipment is rated at 30 cubic feet per minute (cfm) or less, and who receive service at 5 pounds per square inch gauge (psig) or less. Large compressed natural gas customers are defined as NGV operators and retail distributors whose compression equipment is rated above 30 cfm or receive service at a delivery pressure greater than 5 psig.

Service under this schedule shall be through one or more meters at the option of the Utility, provided they are located at the same premise. Service for any end use of gas other than the compression of natural gas for vehicle use, such as space heating, water heating, processing or boiler fuel use, is not permitted under this schedule nor through the meter(s) through which service under this schedule is provided.

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.

Schedule No. G-55

GAS SERVICE FOR COMPRESSION ON CUSTOMER'S PREMISES  
(Continued)

SPECIAL CONDITIONS

1. Gas service under this schedule is not available unless accompanied by a signed contract for a minimum of one year as the precedent to service under this schedule, and said contract shall continue in force and effect from year to year thereafter until either the Utility or the customer shall give the other written notice of a desire to terminate the same at least 30 days prior to the expiration of any such year. If the customer permanently ceases operation, such contract shall not thereafter continue in force.
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.

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-60

ELECTRIC GENERATION GAS SERVICE

APPLICABILITY

Applicable to gas service to electric generation customers. This schedule is available for only the electric generation portion of the customer's gas purchases.

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 the charge under the customer's otherwise applicable gas sales tariff schedule. The basic service 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.

MINIMUM CHARGE

The minimum charge per meter is the basic service charge.

SPECIAL CONDITIONS

1. Gas service under this schedule is not available unless accompanied by a signed contract for a minimum of one year as the precedent to service under this schedule, and said contract shall continue in force and effect from year to year thereafter until either the Utility or the customer shall give the other written notice of a desire to terminate the same at least 30 days prior to the expiration of any such year. If the customer permanently ceases operation, such contract shall not thereafter continue in force.
2. Gas service under this schedule is not available for "standby" or occasional temporary service.
3. 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.



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.

Schedule No. G-75

SMALL ESSENTIAL AGRICULTURAL USER GAS SERVICE

APPLICABILITY

Applicable to gas service to customers whose gas use is certified by the Secretary of Agriculture as an "essential agricultural use" and whose maximum annual requirements are estimated by the Utility to be less than 125,000 dekatherms.

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. Any customer who uses or who is estimated to use in excess of 50 dekatherms in any one month may be required to sign a contract for one year as the precedent to service under this schedule, and said contract shall continue in force and effect from year to year thereafter until either the Utility or the customer shall give the other written notice of a desire to terminate the same at least 30 days prior to the expiration of any such year. If the customer permanently ceases operation, such contract shall not thereafter continue in force.
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.

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Original \_\_\_\_\_ A.C.C. Sheet No. \_\_\_\_\_ 43  
Canceling \_\_\_\_\_ A.C.C. Sheet No. \_\_\_\_\_

Schedule No. G-75

SMALL ESSENTIAL AGRICULTURAL USER 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 Arizona Corporation 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

Schedule No. G-80

NATURAL GAS ENGINE 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 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.

SOUTHWEST GAS CORPORATION

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 SERVICE

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

Issued by  
Edward S. Zub  
Senior Vice President

Effective September 1, 1997  
Decision No. 60352

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

	<u>Second Revised</u>	A.C.C. Sheet No. <u>46-46F</u>
Canceling	<u>First Revised</u>	A.C.C. Sheet No. <u>46</u>
Canceling	<u>Original</u>	A.C.C. Sheet No. <u>46A-46F</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

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling Second Revised A.C.C. Sheet No. 47-50  
First Revised A.C.C. Sheet No. 47-48

HELD FOR FUTURE USE

Issued On July 22, 2004  
Docket No. G-01551A-02-0425

Issued by  
John P. Hester  
Vice President

Effective July 29, 2004  
Decision No. 66101

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 any existing interconnection between the Utility and EL Paso Natural Gas Company (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;



Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- (b) The transportation of gas through the Utility's system for the account of the customer; and
  - (c) The delivery of gas after transportation by the Utility for the account of the customer at the Delivery Point(s).
- 2.2 The Utility may curtail or interrupt service as defined by Section 5 of this schedule or by Rule No. 7 of this Arizona Gas Tariff. In the event of curtailment or interruption, the Utility shall provide service as follows:
- (a) The Utility shall provide the customer with as much advance notice as is practical of any curtailment or interruption of service; and
  - (b) The Utility may, to the extent feasible, continue to receive the customer's gas at the Receipt Point on a scheduled basis during the period of curtailment or interruption and shall, to the extent feasible, redeliver such gas at the Delivery Point(s). For the period of curtailment or interruption, the Utility may waive any payments that may otherwise be due pursuant to Section 7 hereof.
- 2.3 Gas transported under this schedule shall be for use only by the customer, except for customers who would otherwise be served under Schedule No. G-55. Service under the provisions of this schedule shall not constitute the dedication of the Utility's pipeline system or any portion thereof to the customer.
- 2.4 Excluding imbalance charges, all rates and charges described herein shall apply by meter to each meter reflected in the customer's service agreement.
- 2.5 Any customer served under this schedule who requests service under a sales schedule must remain a sales customer for a period of not less than 12 months.

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) Any applicable imbalance charges as specified in Section 7 of this schedule.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

3. RATES (Continued)

The Utility may adjust from time to time the applicable unit transportation rate to any individual customer, provided, however, that such adjusted rate shall not exceed the applicable charges as specified in Section 3.1 above.

In addition to the above charges and any applicable imbalance charges, the Utility shall include on the customer's bill any charges from upstream pipeline transporters or suppliers which have been incurred by the Utility because of the transportation service rendered for the customer under this schedule.

3.2 Any customer served under this schedule who requests service under a sales schedule will be permitted to change schedules to the extent that the Utility is able to procure additional gas supply to serve the customer's incremental sales volumes without adversely affecting existing sales customers. Upon switching from transportation to sales service, the customer's gas cost component of the customer's commodity charge per therm will be determined as follows:

- (a) Any customer served under this schedule who switches to a gas sales schedule will be billed the higher of the following charges for the gas cost component of the customer's commodity charge per therm for a period of 12 months:
- (i) The Monthly Gas Cost component of the currently effective tariff rate contained in the customer's applicable sales schedule as stated in the Statement of Rates; or
  - (ii) The incremental cost of gas procured by the Utility to serve the customer's additional sales volumes, including an upstream capacity charge.

After the conclusion of the initial 12-month period of receiving sales service, the customer shall be billed at the Currently Effective Tariff Rate.

3.3 The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes, assessments or governmental impositions assessed on the Utility.

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.

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling Second Revised A.C.C. Sheet No. 56  
First Revised A.C.C. Sheet No. 56

HELD FOR FUTURE USE

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. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

6. OPERATING PROCEDURES

6.1 Nominating and Scheduling of Gas Receipts and Deliveries: GISB 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 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 the pipeline's information requirements.

Nominations Made Directly to the Upstream Interstate Pipeline(s): If the customer nominates directly to the upstream interstate pipeline(s), the customer or Agent must provide their nomination(s) to the Utility via facsimile or other Utility-approved method prior to the nomination deadlines set forth below:

Cycle 1 (Timely Nominations)	9:30 a.m. Pacific Clock Time on the day prior to flow.
Cycle 2 (Evening Nominations)	4:00 p.m. Pacific Clock Time on the day prior to flow.
Cycle 3 (Intraday Nominations)	8:00 a.m. Pacific Clock Time on the flow day.
Cycle 4 (Intraday Nominations)	3:00 p.m. Pacific Clock Time on the flow day.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

6. OPERATING PROCEDURES (Continued)

Nominations Made to the Utility: If the customer nominates to the Utility, the customer or Agent must provide their nomination(s) to the Utility via facsimile or other Utility-approved method no later than the nomination deadlines set forth below:

Cycle 1 (Timely Nominations) 8:00 a.m. Pacific Clock Time on the day prior to flow.

Cycle 2 (Evening Nominations) 2:30 p.m. Pacific Clock Time on the day prior to flow.

Cycle 3 (Intraday Nominations) 6:30 a.m. Pacific Clock Time on the flow day.

Cycle 4 (Intraday Nominations) 1:30 p.m. Pacific Clock Time on the flow day.

(a) Customers or their Agents may submit Nominations for multiple days (Standing Nominations), provided such Nominations are within the term of the customer's transportation service agreement. The Utility will confirm whether it has sufficient operational capacity to deliver all or a portion of the customer's gas.

(b) Nominations received after a deadline will be processed for the following cycle with the exception that late Cycle 4 Nominations will not be processed. The Utility will confirm the volumes nominated for Cycle 1 (Timely Nominations) through all four cycles, regardless of upstream cuts in scheduled quantities, unless the Utility receives a revised Nomination from the responsible party for any subsequent cycle.

(c) Intraday Nominations will replace existing Standing Nominations only for the duration of the flow day requested.

Issued by

Issued On November 18, 1999  
Docket No. G-01551A-99-0670

Edward S. Zub  
Senior Vice President

Effective February 1, 2000  
Decision No. 62253

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 customers 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 Daily Transportation Obligations: Customer shall cause deliveries into the Utility's system of volumes to be transported hereunder to be made at approximately a uniform daily 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.



## Schedule No. T-1

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

## 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.

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 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 shall be due to unavailability of gas supply or interruption of third party transportation services.

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

## Schedule No. T-1

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

6.8 Processing Requests for Transportation Service. Requests for 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 Daily Quantity applicable to the Receipt Point and the maximum quantity per day applicable to each delivery point, and estimated total quantities to be received and transported over the delivery period should be stated individually in both Mcfs and MMBtus 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 –
  - (i) Date service requested to commence; and
  - (ii) Date service requested to terminate, if applicable.
- (d) Performance – A letter from the customer certifying that the customer has entered into or will enter into those arrangements necessary to assure all upstream transportation will be in place prior to the commencement of service under a service agreement. The customer's agent, if any, must be named.

Upon receipt of all of the information specified above, the Utility shall prepare and tender to the customer for execution a service agreement in the form contained in this Arizona Gas Tariff. 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. Balancing of thermally equivalent quantities of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the customer's right, subject to the Utility's approval, to vary receipts and

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

6. OPERATING PROCEDURES (Continued)

deliveries within specified limits. Customer daily imbalances are defined as the difference between the customer's daily metered quantity and the sum of the customer's daily scheduled transportation quantity plus any Utility-approved daily imbalance adjustment quantity. Customer monthly imbalances are defined as the difference between the customer's total monthly metered quantity and the customer's total scheduled transportation quantity. Customers that receive gas through multiple meters may aggregate individually metered quantities for purposes of making imbalance determinations. Customers are provided a monthly operating window under which the customer's cumulative imbalances must be within plus or minus 5 percent ( $\pm 5\%$ ) of the month's total of daily scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater. Furthermore, 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. Imbalances established in excess of the applicable daily or monthly operating windows will be subject to imbalance charges as specified in Section 7 of this schedule. 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. Any imbalance (plus or minus) carried forward shall be considered first through the meter during the next daily or monthly period, as applicable.

6.10 Adjustments: Periodically, volume adjustments may be made by El Paso 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.

6.11 Customer's Default: The Utility shall not be required to perform or continue service on behalf of any customer that fails to comply with the terms contained in this schedule and the terms of the customer's Service Agreement with the Utility. The Utility shall have the right to waive any one or more specific defaults by any customer under any provision of this schedule or the service agreement, provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

## Schedule No. T-1

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

6.12 Customer's Creditworthiness. The Utility shall not be required to perform or to continue service under this schedule on behalf of any customer who is or has become insolvent or who, at the Utility's request, fails within a reasonable period to demonstrate creditworthiness, provided, however, such customer may receive service under this schedule if the customer prepays for such service or furnishes good and sufficient security, as determined by the Utility in its reasonable discretion, an amount equal to the cost of performing the service requested by the customer for a six-month period. For purposes of this schedule, the insolvency of a customer shall be evidenced by the filing by such customer or any parent entity thereof (hereinafter collectively referred to as the customer) of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the customer as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the customer under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the customer or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of 60 consecutive days.

6.13 Operational Curtailment. The Utility reserves the right to impose, at any time, any reasonable conditions upon the transportation of the customer's gas which the Utility, in its sole good faith judgment, deems necessary to maintain the safe and efficient operation of its distribution system, or to make the operating terms and conditions of service hereunder compatible with those of El Paso. Under such circumstances, the following conditions shall apply:

(a) Any customer that does not comply with a notice of operational curtailment shall be subject to, in addition to any otherwise applicable charges, a penalty of \$10.00 per therm for all unauthorized quantities during the curtailment period.

(b) The Utility shall endeavor to provide notice of such operational curtailment 48 hours prior to the commencement of the applicable gas day.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

6. OPERATING PROCEDURES (Continued)

- (c) Notwithstanding condition (b), the Utility may impose an operational curtailment on the current gas day. In the event an operational curtailment is imposed on the current gas day, a minimum one-hour grace period will be allowed before penalties begin to apply.

7. TRANSPORTATION IMBALANCE SERVICE

The Utility will provide an Imbalance Service for individual customers when their monthly metered quantities differ from the sum of the monthly scheduled transportation quantities to the Utility's system, plus any Utility-approved imbalance quantities. The Imbalance Service provided hereunder has two components; an Imbalance Trading Service and Payment for Excess Imbalances.

7.1 Imbalance Trading

- (a) The Imbalance Trading Service will be facilitated through the Utility's electronic bulletin board (Southwest Vista). Customers taking service under this schedule may trade their imbalances with other customers served under this schedule. The customer's cumulative monthly imbalances will be stated on an imbalance report provided separately from the monthly bill. The imbalance report will serve as notice of current imbalances. Imbalance trading is allowed for monthly imbalances only. No trades of daily imbalances will be allowed. Only those imbalances occurring in the same time period are eligible for trading. Beginning at 8:00 a.m. Mountain Clock Time on the tenth calendar day of the month following notification, customers may enter Southwest Vista to post available imbalances. The trading period will end at 5:00 p.m. Mountain Clock Time on the twenty-fifth calendar day of the month. If the twenty-fifth falls on a weekend or holiday, the trade period will close the following business day.
- (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.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

- (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.
  - (i) Southwest assesses its transportation volume charges based on the transportation billing quantities, adjusted for any volumes traded pursuant to this section.
  - (ii) 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)

(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:

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

7.2 Payment for Excess Imbalances (Continued)

(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 term retained:

- (i) Fifty percent (50%) of the Monthly Gas Cost component contained in the customer's otherwise applicable sales schedule as stated in the Statement of Rates, excluding the currently effective Gas Cost Balancing Account Adjustment; or
- (ii) The lowest incremental cost of gas, including all upstream interstate transportation charges, purchased by the Utility during the same month.

(b) Negative Excess Imbalance

When the sum of the customer's scheduled transportation quantity (plus any approved daily imbalance adjustment quantity for daily imbalances) is less than the customer's metered quantity by more than the applicable daily or monthly operating window, the excess imbalance shall be eliminated after the customer is billed the higher of the following two gas costs for each term of the excess imbalance in addition to the customer's applicable transportation volume charge:

- (i) One hundred-fifty percent (150%) of the Monthly Gas Cost component contained in the customer's otherwise applicable sales schedule as stated in the Statement of Rates, excluding the currently effective Gas Cost Balancing Account Adjustment; or



Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS  
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

(ii) The weighted average cost of gas for the highest incremental purchases during the same month. The average will be determined by first weighting the highest priced gas purchased by the Utility during the month by the number of therms purchased at that price. The total therms to be allocated in this manner are equivalent to the total number of negative excess imbalance therms to be cashed out for the month. The weighted average cost of gas will also include any applicable upstream interstate transportation charges, such as fuel and variable transportation charges. A charge equal to the Utility's monthly average interstate transportation reservation cost is also included in the weighted average cost of gas.

7.3 Subject to mitigation through imbalance trading, if a customer is assessed an imbalance charge based on Utility billing information that is later determined to be in error, the portion of the imbalance charge not assessable based on the corrected billing information shall be reversed on the customer's bill without interest. If a customer is not assessed an imbalance charge based on Utility billing information that is later determined to be in error, the customer shall be billed for any applicable imbalance charges determined to be assessable based on the revised billing information. The original negative imbalance charge rate that is calculated for the applicable month will be used in any subsequent billings.

7.4 Should a customer elect to discontinue taking service under this schedule and change to a sales service schedule, the Utility may allow, in its sole good faith judgment, any remaining imbalance within the applicable operating window to be cleared as follows:

- (a) The Utility shall credit the customer for any positive imbalance quantity at a price equal to the lowest incremental cost of gas purchased by the Utility during the prior month for gas delivered to the Utility within the state of Arizona.
- (b) For any remaining negative imbalance quantity, the customer shall pay the Utility for the imbalance quantity at the otherwise applicable gas sales tariff rate excluding the Gas Cost Balancing Account Adjustment.
- (c) The customer may trade any remaining imbalance pursuant to this section; however, if a customer does not enter into a trade for any remaining imbalance quantity, the Utility will clear the remaining imbalance by utilizing paragraph (a) or (b) above, as applicable.

## Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*7. TRANSPORTATION IMBALANCE SERVICE *(Continued)*

7.5 Under no circumstances shall Sections 7.2 and 7.4 above be considered as giving the customer any right to take excess imbalance quantities, nor shall Sections 7.2 and 7.4 or payment thereunder be considered as a substitute for any other remedy available to the Utility against the offending customer for failure to respect its obligation to stay within the authorized quantities.

7.6 All gas cost imbalance charges received by the Utility will be credited to Account No. 191, Unrecovered Purchased Gas Costs.

8. FACILITY ADDITIONS

Any facilities which must be installed by the Utility to serve the customer will be constructed in accordance with the Rules included in this Arizona Gas Tariff. All customers, excluding agricultural and water pumping customers served under Schedule No. G-80 and customers whose average daily requirements are less than 1,000 therms, requesting transportation service are required to have telemetering equipment installed at the customer's expense for each meter location at which the customer desires to receive transportation service under this schedule. Whether the installation of telemetry equipment is required by the Utility or elected by the customer, all customers shall be allowed to either install customer-procured telemetry equipment consistent with reasonable design and construction specifications established by the Utility or to have the Utility install and bill the customer for the cost of such equipment. If the customer installs customer-procured telemetry equipment, ownership of such equipment, once installed, shall be transferred to the Utility and thereafter, the Utility shall be responsible for the maintenance of such equipment in the same manner in which the Utility would otherwise be responsible had the Utility installed the equipment itself.

9. THIRD PARTY CHARGES

The customer shall reimburse the Utility for any charges rendered or billed to the Utility by El Paso and by any other upstream pipeline transporters, suppliers or gas gatherers, either before or after termination of the service agreement, which the Utility, in its sole good faith opinion, determines have been incurred because of the transportation of customer's gas hereunder and should, therefore, appropriately be borne by the customer. Such charges, whether levied in dollars or gas, may include, but shall not be limited to, standby charges or reservation fees, prepayments, applicable taxes, applicable fuel reimbursement, shrinkage, lost and unaccounted for volumes, G.R.I. surcharges, penalty charges and filing fees. The customer will reimburse the Utility for all such charges incurred by the Utility as rendered, irrespective of the actual quantities of natural gas delivered to the customer.

## Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS*(Continued)*10. POSSESSION OF GAS AND RESPONSIBILITY

As between the Utility and the customer, the customer shall be deemed to be in control and possession of the gas until it has been delivered to the Utility for transportation at the Receipt Point. The Utility shall thereupon be deemed to be in control and possession of the gas until the gas shall have been delivered to the customer at the Delivery Point(s), after which the customer shall be deemed to be in control and possession. The customer shall have no responsibility with respect to any gas after it has been delivered to the Utility at the Receipt Point on account of anything which may be done, happen or arise with respect to said gas, until said gas is delivered to the customer at the Delivery Point(s).

The Utility shall have no responsibility with respect to said gas prior to its delivery to the Utility at the Receipt Point, or after its delivery to the customer at the Delivery Point(s), or on account of anything which may be done, happen or arise with respect to said gas prior to such receipt or after such delivery.

11. WARRANTY OF TITLE

The Utility accepts the customer's gas at the Receipt Point subject to the understanding that the customer warrants that it will, at the time of delivery of gas to the Utility for transportation, have good title to all gas so delivered to the Utility free and clear of all liens, encumbrances and claims whatsoever, that it will at such time of delivery have the right to deliver such gas to the Utility and that it will indemnify the Utility and hold the Utility harmless from all adverse claims of any and all persons to such gas.

The Utility warrants that, at the time of delivery of the transported gas to the customer at the delivery point(s), it will not have encumbered the gas in any manner whatsoever from the time the gas is accepted at the receipt point until the gas is delivered to the customer at the delivery point(s).

12. MEASUREMENT BASE

Refer to Rule No. 7 of this Arizona Gas Tariff.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

(Continued)

13. HEAT CONTENT

Refer to Rule No. 7 of this Arizona Gas Tariff.

14. BILLING AND PAYMENT

14.1 Billing. The Utility shall render a bill to the customer on or before the 10th day of each month for all service rendered to the customer during the preceding calendar month.

14.2 Payment. On or before the 25th day of each month, the customer shall pay the Utility for the service rendered hereunder during the preceding month as billed by the Utility. Such payment shall be made in immediately available funds on or before the due date to a depository designated by the Utility. If the 25th falls on a day that the designated depository is not open in the normal course of business to receive the customer's payment, then payment shall be made on or before the last business day preceding the 25th that such depository is available.

14.3 Late Charge. Should the customer fail to pay all of the amount of any bill for gas delivered under the executed service agreement as herein provided, when such amount is due, a late charge of 1.5 percent of the delinquent amount shall be assessed.

14.4 Delayed Bill. If presentation of a bill to the customer by the Utility is delayed after the 10th day of the month, then the time of payment shall be extended accordingly unless the customer is responsible for such delay.

14.5 Adjustment of Errors. In the event an error is discovered in any invoice that the Utility renders, such error shall be adjusted within 30 days of the determination thereof, provided, however, that any claim for adjustment must be made within 12 months from the date of such invoice.



SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling Third Revised A.C.C. Sheet No. 76  
Second Revised A.C.C. Sheet No. 76

HELD FOR FUTURE USE

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. B-1

POTENTIAL BYPASS/STANDBY GAS SERVICE

APPLICABILITY

Applicable to natural gas transportation service to customers whose requirements may be served

at rates lower than the Utility's currently effective rates. As a condition precedent to qualifying for this service, the customer must establish that bypass is economically, operationally, and physically feasible and imminent, or that the customer has installed facilities capable of burning alternate fuels or energy or otherwise capable of demonstrating competitive alternatives to service at the customer's otherwise applicable rate.

AVAILABILITY

This schedule is available for the following gas services:

1. POTENTIAL BYPASS GAS SERVICE

This service is available only for customers who have applied for sales and/or transportation service from a gas pipeline and have received a formally quoted and written rate for such service or have installed facilities capable of burning alternate fuels or energy. Both the economics and feasibility of such service are subject to verification by the Utility before qualifying for service under this schedule. Bypass gas service is available only if the Utility provides the customer's full actual gas requirements in a manner similar to that which would otherwise be provided under Schedule No. T-1.

2. STANDBY OR EMERGENCY GAS SERVICE

This service is available to provide standby gas service for customers who have contracted for their own gas supply and completed arrangements for direct delivery by their pipeline transporter to their own facilities or are burning alternate fuels or energy, but will continue to remain connected to the service facilities of the Utility.

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.

Schedule No. B-1

POTENTIAL BYPASS/STANDBY GAS SERVICE

(Continued)

RATES

1. POTENTIAL BYPASS GAS SERVICE

The basic service charge and the charge per therm may vary from customer to customer based on value of the service. These charges may be revised from time to time as costs and conditions change. In no event shall the charge per therm be less than the variable cost.

The minimum charge is the sum of the fixed monthly charges as set forth in the customer's service agreement.

2. STANDBY OR EMERGENCY GAS SERVICE

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 during the most recent 12-month period or those set forth in the customer's service agreement (hereinafter referred to as "maximum daily quantity") applicable to this rate schedule at an individual rate negotiated and agreed upon by customer and the Utility, not to exceed \$.06 per therm 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. B-1

POTENTIAL BYPASS/STANDBY GAS SERVICE*(Continued)*RATES *(Continued)*

Commodity Charge: In the event gas is taken under this schedule, the commodity rate contained in the customer's otherwise applicable sales schedule shall apply. The commodity rates may be revised from time to time as gas costs and conditions change. In no event shall the commodity charge per therm be less than the variable commodity cost of gas purchased by the Utility.

The minimum charge is the sum of the fixed monthly charges as set forth in the customer's service agreement.

SPECIAL CONDITIONS

1. Prior to the establishment of service under this schedule, the customer shall execute a service agreement. If subsequently the customer should add facilities that would increase capacity demands upon the Utility's system or exceed quantities of gas deliveries by the Utility as previously mutually agreed upon, then the customer will notify the Utility so that a revised service agreement can be executed.
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.
3. Nothing herein shall prevent the Utility from transferring customers served hereunder back to their otherwise applicable sales or optional schedule if costs or conditions change so as to make that customer no longer eligible for service hereunder. However, if any customer is able to qualify for service under more than a single rate schedule, the customer may select the schedule which the customer reasons as the most advantageous for gas service by the Utility.

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

Schedule No. B-1

POTENTIAL BYPASS/STANDBY GAS SERVICE

*(Continued)*

SPECIAL CONDITIONS *(Continued)*

4. In the event any customer served by the Utility who chooses to become its own gas supplier elects to discontinue all service, including service under this schedule, provided by the Utility and is disconnected from the Utility's distribution system, the Utility shall not be obligated to take such customer back under the terms, conditions and rates normally available to customers under this Arizona Gas Tariff. Such customer may reapply for gas service and shall receive gas service only after the execution of a service agreement under terms, conditions and rates which ensure that the Utility and its customers on the regulated distribution system are compensated for costs associated with the restoration of service to such customer. The Utility shall file the executed service agreement with the Commission prior to initiating gas service to such customer.
  
5. The Utility will calculate any costs or charges, which the Utility determines have been incurred because of the customer's prior actions while a sales customer of the Utility or because of the transportation of gas for the customer's account hereunder. The Utility on a customer case-by-case basis will submit to the Commission, for its consideration, the aforementioned costs or charges. The customer will reimburse the Utility those costs and charges that the Commission determines should be borne by the customer.

RULES AND REGULATIONS

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

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Canceling \_\_\_\_\_ Original A.C.C. Sheet No. 81-86  
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

**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. 68487, the PGA rate included in the MGC rate cannot be more than \$.13 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.

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

Canceling Second Revised A.C.C. Sheet No. 88  
First Revised A.C.C. Sheet No. 88

**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 Decision No. 61225. Additionally, the Utility shall file revised tariff sheets that include the current month's MGC rate.

**ADDITIONAL REQUIREMENTS**

A special review is required if the Gas Cost Balancing Account (GCBA) reaches an over- or under-collection in the amount of \$29.2 million. The Utility must file an application for a Gas Cost Balancing Account adjustment within forty-five (45) days of completing the Monthly Informational Filing that illustrates the threshold has been exceeded or contact the Commission to discuss why an adjustment is not necessary at this time. The Commission, upon review, may authorize the balance to be amortized through a predetermined rate included as part of the MGC for a specified period. Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or one percent (1%) of total annual purchases.

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

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.

**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, Footnote 3(a), 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 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 (November through April).
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**  
**INTERSTATE PIPELINE CAPACITY SERVICES PROVISION**

I. TITLE ASSIGNMENT SERVICE

A. APPLICABILITY

This Title Assignment Service provision shall apply only to natural gas transportation customers with Title Assignment Operating Agreements executed with the Utility prior to April 1, 1993, in conjunction with an executed service agreement pursuant to Schedule No. T-1, Transportation of Customer-Secured Natural Gas. It specifies the procedures to be utilized by the Utility in providing upstream pipeline firm transportation service to eligible Title Assignment transportation customers and recovering associated costs from such customers. This Title Assignment Service provision is closed to new customers.

B. CHARACTER OF SERVICE

1. The Utility will provide eligible transportation customers access to the Utility's upstream pipeline firm transportation capacity and service subject to the provisions and limitations set forth in this provision, Schedule No. T-1 and Rule No. 7 of this Arizona Gas Tariff. Upstream pipeline firm transportation service under this provision is available on a recallable basis only.
2. Title Assignment Service shall be recalled by the Utility only to protect service to Priority 1 and 2 customers pursuant to the provisions of Schedule No. T-1 and Rule No. 7 of this Arizona Gas Tariff, and in force majeure conditions which may occur from time to time on the upstream pipeline system.

C. 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.

D. TERM

1. The minimum term for transportation customers electing service under this provision is 24 months.



SPECIAL SUPPLEMENTARY TARIFF  
INTERSTATE PIPELINE CAPACITY SERVICES PROVISION  
(Continued)

I. TITLE ASSIGNMENT SERVICE (Continued)

D. TERM (Continued)

2. The minimum requirement for notice of termination of Title Assignment Service shall be by written notice from the customer at least 24 months prior to the start of any calendar month.

E. RATES FOR TITLE ASSIGNMENT SERVICE

1. Title Assignment customers shall elect a Daily Contract Demand Quantity (DCDQ), not to exceed the maximum daily quantity specified in their respective transportation service agreement.
2. Title Assignment customers shall pay the Utility monthly the sum of the following charges for service under this provision:
  - a. Reservation Charge: A monthly demand charge equal to the customer's DCDQ multiplied by the currently effective interstate pipeline(s) reservation charges for firm transportation, including applicable surcharges.
  - b. Volume Charge: A rate per therm for all quantities transported by the Utility on behalf of the customer on the upstream pipeline(s) during the month, which includes the currently effective usage charges for firm upstream pipeline transportation service plus any applicable surcharges.
3. The customer's maximum daily entitlement for Title Assignment Service pursuant to this provision shall be equal to the DCDQ elected by the customer.
4. In the event that Title Assignment Service is recalled by the Utility, the customer shall receive a Reservation Charge credit to their regular monthly bill based on the pro rata portion of the capacity recalled to such customer's total DCDQ.

SPECIAL SUPPLEMENTARY TARIFF  
INTERSTATE PIPELINE CAPACITY SERVICES PROVISION  
*(Continued)*

I. TITLE ASSIGNMENT SERVICE (Continued)

F. CHANGES IN RATES

The Utility will revise rates for Title Assignment Service as necessary to reflect Federal Energy Regulatory Commission (FERC) authorized changes in upstream pipeline transportation rates and billing determinants. Any refunds received from upstream pipelines will be allocated on the basis of the customer's Title Assignment volumes billed during the refund period.

G. ACCOUNTING FOR TITLE ASSIGNMENT REVENUES

All revenues received by the Utility in providing service under this provision shall be credited to Account No. 191, Unrecovered Purchased Gas Costs.

II. CAPACITY RELEASE SERVICE

A. APPLICABILITY

The purpose of this Capacity Release Service provision is to govern the release of interstate pipeline capacity in excess of the requirements of the Utility's Title Assignment and Priority 1 and 2 customers. The Utility shall identify and offer for release any available interstate pipeline capacity reserved to serve such customers for the purpose of minimizing the overall cost of upstream interstate pipeline capacity.

1. Capacity released pursuant to this provision shall be made available on a non-discriminatory basis. As a condition precedent to obtaining released capacity under this provision, on-system transportation customers of the Utility must execute a transportation service agreement pursuant to Schedule No. T-1, Transportation of Customer-Secured Gas, and must comply with all applicable terms and conditions contained in this Arizona Gas Tariff.
2. In order to acquire any of the Utility's firm interstate pipeline capacity released under this provision, acquiring shippers must demonstrate to the Utility that they have met the creditworthiness and other requirements of the applicable interstate pipeline(s) and such other credit standards that the Utility may deem appropriate.

**SPECIAL SUPPLEMENTARY TARIFF**  
**INTERSTATE PIPELINE CAPACITY SERVICES PROVISION**

*(Continued)*

II. CAPACITY RELEASE SERVICE (Continued)

A. APPLICABILITY (Continued)

3. Capacity release pursuant to this provision is subject to all FERC rules and regulations and the specific terms and conditions governing capacity release on the interstate pipeline system(s).

B. RATES AND BIDDING PROCEDURES

1. The Utility shall identify excess interstate pipeline capacity available for release on a monthly basis and from time-to-time more frequently thereafter as necessary to pre-arrange the release of any remaining available capacity. The Utility reserves the right to not release capacity if market conditions so warrant, or if the Utility is seeking to reduce its billing determinant or contract demand on the upstream interstate pipeline(s).
2. The Utility shall determine the minimum acceptable bid price for released capacity. The minimum acceptable bid represents the floor price for the Utility's consideration of any particular bid. The minimum acceptable bid shall be the greater of a., b. or c. below:
- a. The Utility's best determination of the current market value for such released capacity, based on a comparison of the price of completed bids of a like nature and term posted to the applicable interstate pipeline's electronic bulletin board.
- b. When an interruptible transportation crediting mechanism exists on the upstream interstate pipeline and, therefore, interruptible transportation credits could be earned if such capacity was not released, a bid price equal to the current market rate for interruptible transportation service.
- c. If the Utility is able to determine the cost allocation methodology that will be utilized by the upstream pipeline to develop future interstate pipeline charges, the Utility reserves the right to adjust the minimum acceptable bid price to protect the interests of its Priority 1 and Priority 2 gas sales customers.

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

**SPECIAL SUPPLEMENTARY TARIFF**  
**INTERSTATE PIPELINE CAPACITY SERVICES PROVISION**  
*(Continued)*

II. CAPACITY RELEASE SERVICE *(Continued)*

B. RATES AND BIDDING PROCEDURES *(Continued)*

3. The release of interstate pipeline capacity for a term of more than one month shall be accomplished according to the following procedures.
- a. The Utility shall offer to prearrange the release of interstate pipeline capacity at rates greater than or equal to the minimum acceptable bid for the release period being considered. All bids below the minimum acceptable bid floor shall be rejected. Bids for prearranged capacity release shall be accepted based on the highest price offered. If more than one bid is received at the same price, bids shall be accepted based on the longest term offered. Bids of an identical price and term shall be accepted on a pro rata basis up to the amount of capacity available for release.
  - b. Successful prearranged bids shall then be submitted to the applicable interstate pipeline for posting on its electronic bulletin board.
    - (1) Unless the bid price is equal to the interstate pipeline's full "as-billed" rate, other eligible parties will be allowed by the pipeline to submit bids higher than that of the prearranged shipper. If prearranged bids are outbid by another party, the prearranged bidder shall have the right of first refusal to match the higher bid and thereby acquire the released capacity.
    - (2) If the higher bid is not matched, the award shall be made to the higher bidder(s) pursuant to the established bid evaluation and (or) "tie breaker" procedures of the interstate pipeline.
  - c. Any remaining capacity available for release shall then be posted for open bidding to the applicable interstate pipeline electronic bulletin board at the minimum acceptable bid price determined according to Section B.2 above.

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

**SPECIAL SUPPLEMENTARY TARIFF**  
**INTERSTATE PIPELINE CAPACITY SERVICES PROVISION**  
*(Continued)*

II. **CAPACITY RELEASE SERVICE** *(Continued)*

B. **RATES AND BIDDING PROCEDURES** *(Continued)*

4. The Utility reserves the right to prearrange from time-to-time the release of excess capacity for a term of one month or less. Capacity released for a term of one month or less shall be subject to all FERC and interstate pipeline rules and regulations governing such releases, and shall be at rates greater than or equal to the minimum acceptable bid.

C. **BILLING**

Billing for released capacity shall be made by the interstate pipeline directly to acquiring customers and shippers. Shippers acquiring released capacity shall be billed by the pipeline at the accepted bid price plus applicable usage charges and surcharges. The Utility will receive credit from the interstate pipeline for the payment of reservation charges and reservation surcharges due from the acquiring shipper.

D. **RECALL OF RELEASED CAPACITY**

Capacity released by the Utility shall be recallable over the term of the release under the following conditions:

1. Force majeure situations occurring on the upstream pipeline system; or
2. To protect service to Priority 1 and Priority 2 customers; or
3. When the Utility's core demand for upstream pipeline capacity is greater than the Utility's current billing determinant or contract demand on the applicable interstate pipeline(s); or
4. If the acquiring shipper fails to remit payment for services rendered to the interstate pipeline when such amounts are due.

SPECIAL SUPPLEMENTARY TARIFF  
INTERSTATE PIPELINE CAPACITY SERVICES PROVISION  
*(Continued)*

II. CAPACITY RELEASE SERVICE (Continued)

E. ACCOUNTING FOR CAPACITY RELEASE CREDITS

All capacity release credits received by the Utility shall be credited to Account No. 191, Unrecovered Purchased Gas Costs.

SOUTHWEST GAS CORPORATION  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Arizona Gas Tariff No. 7

Original A.C.C. Sheet No. 98-103  
Canceling \_\_\_\_\_ A.C.C. Sheet No. \_\_\_\_\_

HELD FOR FUTURE USE

Issued On August 29, 1997 Issued by Edward S. Zub Effective September 1, 1997  
Docket No. U-1551-96-596 Senior Vice President Decision No. 60352

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)*

Billing Units:	The billing unit shall be in either therms or hundreds of cubic feet (Ccf), whichever is applicable.
Branch Service:	A service that is not connected to a natural gas main and has as its source of supply another service.
British Thermal Unit:	The amount of heat required to raise the temperature of one pound of water from 59°F. to 60°F. at constant pressure of 14.73 pounds per square inch absolute (psia).
Btu:	British thermal unit.
Bypass Customer:	A transportation customer who, because of its physical proximity to the facilities of an alternative pipeline, possesses the ability to bypass the Utility's system and secure natural gas service from that pipeline.
Capacity Curtailment:	A condition occurring when the total system demand for natural gas exceeds the system's capability to deliver gas.
Cogeneration:	The use of gas to generate electricity and thermal energy at a facility that meets the efficiency standards outlined in Title 18, Code of Federal Regulation, Part 292, Subparts A and B, and where the customer's generators and load are located at the same site.
Commercial Customer:	A customer who is engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.

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"><li>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.</li><li>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.</li></ol>

RULE NO. 1

DEFINITIONS  
(Continued)

Cubic Foot: (Continued)

3. For the testing of gas for heating value the standard cubic foot shall be that volume of gas which, when saturated with water vapor and at a temperature of 60°F and under a pressure equivalent to that of 30 inches of mercury (mercury at 32°F and under standard gravity), occupies 1 cubic foot.

Ccf:

One hundred (100) cubic feet.

Curtailed Priority:

The order in which natural gas service is to be curtailed to various classifications of customers, as set forth in Rule No. 7 on A.C.C. Sheet Nos. 216 – 218 of this Arizona Gas Tariff.

Customer:

The person in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his name, regardless of the identity of the actual user of the service.

Customer Piping:

1. House piping – All aboveground piping downstream of the meter.
2. Yard piping – All belowground piping downstream of the meter, both of which are the responsibility of the customer.

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. The Daily Operating Window requires such difference to 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.
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)*

Electronic Billing Service Provider:	An agent of the Utility that provides electronic bill presentment and payment service for the Utility and serves as a common link between the Utility and the customer.
Electronic Transfer:	Paperless exchange of data and/or funds.
Essential Agricultural Use:	Any use of natural gas which is certified by the Secretary of Agriculture as an "essential agricultural use."
Essential Industrial Process and Feedstock Uses:	Any use of natural gas by an industrial customer as "process gas" or as feedstock, or gas used for human comfort to protect health and hygiene in an industrial installation.
Excess Flow Valve:	A device designed to restrict the flow of gas in a customer's natural gas service line by automatically closing in the event of a service line break, thus mitigating the consequences of service line failures.
Expedited Service:	Service that is generally performed on the same workday the request for service is made. There may be instances where Company scheduling will not permit same day service. Service is considered to be expedited when an order is scheduled any day prior to the next available work date.
Farm Tap:	A service connection from a company distribution or transmission line operating at higher than normal distribution pressure, thereby requiring regulation and/or pressure limiting devices before the customer can be served.
Feedstock Gas:	Natural gas used as a raw material for its chemical properties in creating an end product.

RULE NO. 1

DEFINITIONS

*(Continued)*

Fire Protection Uses:	Natural gas used by and for the benefit of fire fighting agencies in the performance of their duties.
Flame Stabilization Gas:	Natural gas which is burned by ignitors, main gas burners or warm-up burners for the purpose of maintaining stable combustion of an alternate fuel.
Gas Day:	A period of 24 consecutive hours, except for those days that are adjusted for Daylight Savings Time, commencing and ending at 8:00 a.m. Mountain Clock Time (MCT). Clock Time indicates that the Utility will adjust its Gas Day to reflect changes for Daylight Savings Time.
Handicapped:	A person with a physical or mental condition which substantially contributes to the person's inability to manage his or her own resources, carry out activities of daily living, or protect oneself from neglect or hazardous situations without assistance from others.
Hospital:	A facility, the primary function of which is delivering medical care to patients who remain at the facility, including nursing and convalescent homes. Outpatient clinics or doctors' offices are not included in this definition.
Ignition Gas:	Natural gas supplied to gas ignitors in boilers to light main burners whether the main burners be operated by gas, oil or coal.
Illness:	A medical ailment or sickness for which a residential customer obtains a verifiable document from a licensed medical physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the customer's health in the opinion of a licensed medical physician.



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.



RULE NO. 1

DEFINITIONS  
(Continued)

Meter:	The instrument for measuring and recording the volume of natural gas that has passed through it.
Meter Tampering:	A situation where a meter or meter piping has been illegally altered. Common examples are meter bypassing and other unauthorized connections.
Minimum Charge:	The amount the customer must pay for the availability of gas service as specified in the Utility's tariffs.
Mobile Home:	A residential unit designed and built to be towed on its own chassis. It is without a permanent foundation and is designed for year-round living.
Monthly Operating Window:	A transportation operating constraint governing the allowable monthly difference between the customer's metered quantities and the sum of the customer's scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity. The Monthly Operating Window requires such difference to be within plus or minus 5 percent ( $\pm 5\%$ ) of the month's total of daily scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater.
Mountain Clock Time (MCT):	Mountain Standard Time or Mountain Daylight Time, whichever is currently in effect in the majority of the Mountain Time Zone, regardless of which time the State of Arizona is operating under.
Multi-Family Residential:	Any structure where more than one permanent residential dwelling receives the benefits of natural gas service through individual meters.
Off-Peak Irrigation Season:	The six-month period beginning October 1 and ending March 31.
Operating Day:	The 24-hour period beginning 7:00 a.m. Mountain Standard Time.

RULE NO. 1

DEFINITIONS  
*(Continued)*

Ownership:	The legal right of possession or proprietorship of the premise(s) where service is established.
Peak Day:	Maximum daily consumption as determined by the best practical method available.
Peak Irrigation Season:	The six-month period beginning April 1 and ending September 30.
Permanent Customer:	A customer who is a tenant or owner of a service location who applies for and receives natural gas service in a status other than transient, temporary or agent.
Permanent Service:	Natural gas service which, in the opinion of the Utility, is of a permanent and established character. The use of gas may be continuous, intermittent or seasonal in nature.
Person:	Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
Plant Protection Gas:	Minimum natural gas volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.
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 pipes or at the outlet side of the meter.

RULE NO. 1

DEFINITIONS  
*(Continued)*

Police Protection Uses:	Natural gas used by law enforcement agencies in the performance of their appointed duties.
Preemption of Gas Supply:	An emergency condition where the Utility may, under specified conditions, utilize the customer-owned gas supplies of low priority transportation customers to serve the requirements of higher priority transportation and sales customers.
Premises:	All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.
Process Gas:	Natural gas use for which alternate fuels are not technically feasible, such as in applications requiring precise temperature controls and precise flame characteristics. For the purpose of this definition, propane and other gaseous fuels shall not be considered alternate fuels.
Regular Working Hours:	Except for Utility observed holidays, the period from 8 a.m. to 5 p.m., Monday through Friday.
Residential Dwelling:	A house, apartment, townhouse, or any other permanent residential unit.
Residential Subdivision:	Any tract of land which has been divided into four or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.
Residential Use:	Service to customers using natural gas for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses and includes use in apartment buildings, mobile home parks, and other multi-unit residential buildings.

RULE NO. 1

DEFINITIONS

*(Continued)*

Restricted Apparatus:	Apparatus prohibited by the Commission or other governmental agency.
Rules:	That portion of the tariff which sets forth the application or all conditions under which natural gas service shall be rendered.
Sales Customer:	A customer being served under a tariff where the customer purchases gas from the Utility.
Sanitation Facility Uses:	A facility where natural gas is used to (a) dispose of refuse or (b) protect and maintain the general sanitation requirements of the community at large.
Scheduled Transportation Quantity:	The net transportation quantity deliverable to a customer's premises after accounting for all applicable shrinkage factors.
School:	A facility, the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility. Facilities used for both educational and noneducational activities are not included under this definition unless the latter activities are merely incidental to the delivery of instruction.
Seasonal Service:	Natural gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages or other part-time establishments.
Service Area:	The territory in which the Utility has been granted a certificate of convenience and necessity and is authorized by the Commission to provide natural gas service.

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 customer's 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.

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.

RULE NO. 1

DEFINITIONS

*(Continued)*

Temporary Service:	Service to premises or enterprises which are 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 by

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

Edward S. Zub  
Senior Vice President

Effective October 8, 1999  
Decision No. 61977

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.



**Please contact Southwest Gas for  
Service Area Maps.**



RULE NO. 3

ESTABLISHMENT OF SERVICE

*(Continued)*

A. INFORMATION FROM APPLICANTS *(Continued)*

A form will be sent to the third party, stating that such a request has been made, and requesting the third party to sign such acceptance of this arrangement. Upon receipt of such acceptance, the Utility will make every reasonable effort to notify the third party of any pending discontinuance so that the third party may make arrangements for payment satisfactory to the Utility prior to such discontinuance.

2. The Utility may require a new applicant for service to appear at the Utility's designated place of business to produce proof of identity, the date of occupancy and sign the Utility's application form.

3. Purpose

The application is a request for service and does not bind the applicant to take service for a period of time longer than that upon which the rates and minimum charge of the applicable tariff schedule is based; neither does it bind the Utility to serve except under reasonable conditions and in accordance with the applicable rates.

In the absence of a signed application or contract for service, the supplying of natural gas service by the Utility and acceptance thereof by the customer shall be deemed to constitute a service agreement by and between the Utility and the customer for delivery, acceptance of and payment for service, subject to the Utility's applicable rates and rules and regulations.

4. Where service is requested by or supplied to two or more individuals, the Utility shall have the right to collect the full amount owed to the Utility from any of the individuals.

5. Change in Customer's Name, Equipment or Operations

In the event that a customer shall make any change in name or in the amount or character of natural gas appliances or apparatus installed upon the premises, the customer shall promptly notify the Utility of such change.

RULE NO. 3

ESTABLISHMENT OF SERVICE

*(Continued)*

A. INFORMATION FROM APPLICANTS *(Continued)*

6. Connection of Service

The Utility shall connect natural gas service within five working days or as soon thereafter as possible after a request for service has been received and approved.

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS

1. Establishment of Credit

a. Residential

(1) The Utility shall not require a deposit from a new applicant for residential service if the applicant is able to meet any of the following requirements:

(a) The applicant has had service of a comparable nature with the Utility at another service location within the past two years and was not delinquent in payment more than twice during the last 12 consecutive months or disconnected for nonpayment.

(b) The applicant can provide the Utility with a letter regarding credit verification from a natural gas or electric utility where service of a comparable nature was last received which states that the applicant has had service within the past two years and was not delinquent in payment more than twice during the last 12 consecutive months or disconnected for nonpayment.

Rule No. 3

ESTABLISHMENT OF SERVICE  
(Continued)

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS (Continued)

a. Residential (Continued)

- (2) When credit cannot be established to the satisfaction of the Utility, the applicant will be required to:
- (a) Pay the deposit amount billed by the date specified on the bill or make acceptable payment arrangements, or
  - (b) Place a deposit utilizing cash or an acceptable credit card to secure payment of bills for service as prescribed herein, or
  - (c) Provide a surety bond acceptable to the Utility in an amount equal to the required deposit.

b. Nonresidential

- (1) The Utility shall not require a deposit from a new applicant for nonresidential service if the applicant has had service of a comparable nature within the preceding 24 months at another service location with Southwest Gas and a satisfactory payment history was established.
- (2) When a deposit is required from a new applicant for nonresidential service, the applicant will be required to:
- (a) Pay the deposit amount billed by the date specified on the bill or make acceptable payment arrangements, or
  - (b) For amounts not exceeding five thousand dollars (\$5,000), place a deposit utilizing cash or an acceptable credit card to secure payment of bills for service as prescribed herein, or
  - (c) Furnishes a surety bond, letter of credit, or other means acceptable to the Utility for payment to the Utility in an amount equal to the required deposit.

2. Reestablishment of Credit

a. Former Customers with an Outstanding Balance

RULE NO. 3

ESTABLISHMENT OF SERVICE

*(Continued)*

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS *(Continued)*

An applicant who has been a customer of the Utility and who is indebted to the Utility will be required to reestablish credit by paying all delinquent bills (unless collection of such debt is barred by law) and by depositing the amount prescribed herein.

b. Delinquent Customers

(1) A customer whose natural gas service has been discontinued for nonpayment of bills for service will be required, before service is restored, to reestablish credit by paying all delinquent bills (unless collection of such debt is barred by law) and by depositing the amount prescribed herein.

(2) A customer who becomes delinquent in the payment of three or more bills within a consecutive 12-month period or has been disconnected from service during the last 12 months may be required to reestablish credit by providing the Utility with a deposit or an additional amount to increase an existing deposit.

(3) Residential customer deposits shall not exceed two times the highest monthly bill and nonresidential customer deposits shall not exceed two and one-half times the highest monthly bill.

c. Change In Conditions Upon Which Credit Was Originally Established

A nonresidential customer may be required to reestablish credit where, after review and evaluation, the basis on which credit was originally established has materially changed and a condition of risk is determined to exist.

3. Deposits

a. The amount of a deposit required by the Utility to establish or reestablish credit shall be determined according to the following terms:

Rule No. 3

ESTABLISHMENT OF SERVICE  
(Continued)

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS (Continued)

3. Deposits (Continued)

- (1) Residential customer deposits shall not exceed two times the customer's estimated average monthly bill.
- (2) Nonresidential customer deposits shall not exceed two and one-half times the customer's estimated maximum monthly bill.
- b. The Utility may bill the customer for any required deposit amount provided that credit and payment arrangements have been made according to the Utility's policy and procedures.
- c. Applicability to Unpaid Accounts

Deposits and interest prescribed herein will be applied to unpaid bills owing to the Utility when service is discontinued or terminated, or in the event the customer declares bankruptcy or becomes otherwise insolvent.

d. Refund of Deposits

- (1) Upon discontinuance of service, the Utility will refund any balance of the deposit, plus applicable interest, in excess of unpaid bills. The Utility will return any credit balance by check to the last known customer address.
- (2) After a residential customer has, for 12 consecutive months, paid all bills without being delinquent more than twice, the Utility shall refund the deposit with earned interest within 30 days.
- (3) After a nonresidential customer has, for 24 consecutive months, paid all bills prior to the next regular billing, the Utility shall refund the deposit with earned interest within 30 days.
- (4) In the case of refunding a deposit which has been made by an agency from the Utility Assistance Fund (Fund) established by A.R.S. 46-731 to provide assistance for eligible customers, such deposit shall be refunded to the Fund. The standard Rules and Regulations of the Utility as authorized by the Arizona Corporation Commission shall apply to these refunds.

RULE NO. 3

ESTABLISHMENT OF SERVICE  
(Continued)

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS (Continued)

3. Deposits (Continued)

e. Interest on Deposits

The Utility will pay 6 percent interest on deposits from the date of deposit until the date of settlement or withdrawal of deposit. Where such deposit remains for a period of one year or more and the person making the deposit continues to be a customer, the interest on the deposit at the end of the year shall be applied to the customer's account.

f. The Utility may review the customer's usage after service has been connected and adjust the deposit amount based upon the customer's actual usage.

g. A separate deposit may be required for each meter installed.

h. The Utility shall issue a non-negotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the Utility's records.

C. GROUNDS FOR REFUSAL OF SERVICE

1. The Utility may refuse to establish service if any of the following conditions exists:

a. The applicant has an outstanding amount due for the same class of service with the Utility and the applicant is unwilling to make satisfactory arrangements with the Utility for payment.

b. A condition exists which in the Utility's judgment is unsafe or hazardous to the applicant, the general population, or the Utility's personnel or facilities.

c. Refusal by the applicant to provide the Utility with a deposit when the customer has failed to meet the credit criteria for waiver of deposit requirements.





RULE NO. 3

ESTABLISHMENT OF SERVICE

*(Continued)*

D. SERVICE ESTABLISHMENT, REESTABLISHMENT OR RECONNECTION  
*(Continued)*

The service charge referenced above is not applicable to a customer whose service has been restored after having been disconnected as a result of its election to bypass the Utility's distribution system and become its own gas supplier.

- 2. When service is performed during a period when Utility scheduling will next permit, a service charge for "normal service" will be applicable.
- 3. Where Utility scheduling will not permit service during normal working hours on the same day requested by the customer, the customer can elect to pay a service charge for "expedited service" that workday. There may be instances where Utility scheduling will not permit same day service; however, in no case will expedited service take longer than 24 hours from the time requested.
- 4. For the purpose of this rule, the definition of service establishment is when the customer's facilities are ready for service, are installed in a manner acceptable to the Utility and the Utility needs only to install a meter, read a meter, or turn the service on.

E. ESTABLISHMENT OF TEMPORARY SERVICE

The Utility shall, if no undue hardship to its existing customers will result therefrom, furnish temporary service under the following conditions:

- 1. The applicant shall pay, in advance or otherwise as required by the Utility, the estimated cost of installation plus the estimated cost of removal, less the estimated salvage value of the facilities necessary for furnishing service.
- 2. The applicant shall establish credit as required by the applicable rule, except that the amount of the deposit shall not exceed the estimated bill for the duration of the temporary service.

RULE NO. 3

ESTABLISHMENT OF SERVICE

*(Continued)*

F. CHANGE TO PERMANENT STATUS

1. If temporary service is supplied to customer on a continuous basis for a period of 36 consecutive months from the date natural gas service first was provided under this rule, the customer shall be classified as permanent and the payment for the cost of facilities in excess of that required for permanent service under the applicable extension rules shall be refunded.
2. If during the temporary service the character of a temporary customer's operations changes so that, in the opinion of the Utility, the customer should be reclassified as permanent, the amount of payment for cost of facilities made in excess of that required for permanent service shall be refunded to the customer.

G. REFUNDS

The amount of refund upon reclassification of a customer from temporary to permanent will be determined on the basis of the extension rule in effect at the time temporary service was first rendered to the customer.

RULE NO. 4

MINIMUM CUSTOMER INFORMATION REQUIREMENTS

A. GENERAL INFORMATION

The Utility will maintain on file at each of its offices or districts at which an agent is employed (except agents maintained for collection only) all of its tariffs and will also maintain on file at its principal place of business the following information:

1. All rules
2. All schedules of rates
3. The address and telephone number of the Commission
4. The rights and remedies the customer has available to them when a dispute arises with the Utility

All new customers shall be informed of their rights to review the above information.

B. INFORMATION FOR RESIDENTIAL CUSTOMERS

1. The Utility shall make available upon customer request a concise summary of the rate schedule applied for by such customer. The summary shall include the following:
  - a. Monthly minimum or basic service charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable.
  - b. Rate blocks, where applicable.
  - c. Any adjustment factor(s) and method of calculation.
2. In addition, the Utility shall make available upon customer request a copy of the Commission's Rules and Regulations concerning:
  - a. Deposits
  - b. Terminations of service

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.

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

Extensions of gas distribution services and mains necessary to furnish permanent service to applicants will be made in accordance with this rule.

A. GENERAL

The Utility will construct, own, operate and maintain service and main line extensions.

1. Gas service lines will be of suitable capacity from the Utility's gas main to a meter location on the property of the applicant that is satisfactory to the Utility.
2. Gas distribution main extensions will be only along public streets, roads, and highways which the Utility has legal right to occupy, and on public lands and private property across which rights-of-way, satisfactory to the Utility, may be obtained without cost or condemnation by the Utility.

B. SERVICE AND MAIN EXTENSIONS TO APPLICANTS FOR SERVICE

1. General Policy – All service and main extensions are made on the basis of economic feasibility except those for master-metered mobile home parks (MMP), whose extensions shall be made in accordance with the provisions in Section B.3 hereof. The economic feasibility will be calculated by the Incremental Contribution Method as described in Section B.4 hereof.
2. Facility Charge – If any applicant fails to take service in amounts stated as the basis for estimating the allowable investment, the Utility may calculate and bill the customer and the customer shall pay a nonrefundable Facilities Charge according to the Utility's extension rule in effect at the time the extension was made as though service had been requested on the basis of the actual equipment installed and utilized. At its option, the Utility may require a performance bond or other surety guaranteeing bona fide operation of the facility for which the extension is requested in accordance with applicant's representation in the contract.

Issued by

Issued On July 20, 2000

Edward S. Zub

Effective October 10, 2000

Docket No. G-01551A-00-0535

Executive Vice President

Decision No. 62928

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)*

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

- c. Refunds will be made annually, or intermittently within the annual period at the option of the Utility. Amounts refunded may be accumulated to a minimum of \$50, or the total refundable balance if less than \$50.
- d. When two or more parties make a joint advance on the same extension, refundable amounts will be distributed to these parties in the same proportion as their individual percentages of the total joint advance.
- e. The refund period shall be five years from the date of the completion of the extension, except that in the case of feeder mains to serve master-planned subdivisions, the refund period shall be ten years. No refunds will be made by the Utility after the termination of the refund period. Any portion of the advance that remains unrefunded at the end of the refund period shall remain the property of the Utility.
- f. Any assignment by a customer of their interest in any part of an advance, which at the time remains unrefunded, must be made in writing and approved by the Utility.
- g. Amounts advanced under a gas main extension rule previously in effect will be refunded in accordance with the provisions of such rule.

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

1. Advances

- a. Gas distribution service and main extensions to and within individually-metered subdivisions, housing projects, multi-family dwellings and mobile home parks or estates will be constructed, owned and maintained by the Utility in advance of applications for service by bona fide customers only when the entire estimated cost of such extensions as determined by the Utility is advanced to the Utility, and a main extension contract is executed. This advance may include the cost of any gas facilities installed at the Utility's expense in conjunction with a previous service or main extension in anticipation of the current 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)

D. RESIDENTIAL AMORTIZATION PROGRAM (Continued)

3. The ability of the Utility to recover its allowable investment over the life of the facilities.

If the Utility, after receiving a request from a qualified group of ten or more direct residential customers, declines to offer amortization of the project's line extension expense, the Utility shall submit details of the project to the Utilities Division of the Commission for review.

The amortization period of the aforementioned contract shall not exceed five years. The customer's contribution toward the line extension project shall constitute the principal of the contract. The customer will reimburse the Utility for its share of the principal by means of a monthly amortization charge. The customer's monthly amortization charge shall be determined by dividing the contract's principal by the product of: (a) the number of months over which the customer contribution is amortized, and (b) the number of customers projected to be served by the line extension project. If the monthly amortization charge is greater than the amount of the average monthly bill for residential service under Schedule No. G-5, the Utility shall submit details of the proposed project to the Utilities Division of the Commission for review. The monthly amortization charge shall appear on the customer's monthly bill for service. All monthly amortization charge revenues shall be used to reimburse the Utility for the capital cost in excess of the free allowance. If a customer that is a party to such a contract should disconnect service, and later reconnect at the same service address, the customer shall pay the Utility the sum of any unpaid monthly amortization charges accrued during the period of disconnection, plus the applicable Service Establishment Charge, before service shall be reestablished.

The Utility may permit additional customers to enter into line extension contracts, when servicing such customers requires connection to a line extension that is already subject to such contracts. Such additional customers shall, in addition to any incremental connection costs, pay the monthly amortization charge provided in the contract until such contract expires. The monthly amortization charge in the final month of the amortization period shall be adjusted, to account for any change in the estimated number of customers, such that the sum of charges paid over the term of the contract equals the principal.

RULE NO. 6

SERVICE AND MAIN EXTENSIONS

*(Continued)*

D. RESIDENTIAL AMORTIZATION PROGRAM *(Continued)*

In instances where a customer that is a party to a line extension contract disconnects service, the entirety of the remaining balance of the principal of the contract shall become due and payable immediately by the customer to the Utility, unless such customer arranges for the subsequent customer requesting gas service at the same service address to execute a new line extension contract. This new contract shall obligate the subsequent customer to pay the monthly amortization charge under terms identical to those of the original contract.

In instances where the remaining balance of the principal becomes due and payable immediately, the Utility shall make reasonable efforts to collect such remaining balance from the customer; however, if such efforts prove unsuccessful, the defaulted balance shall become the Utility's investment in gross plant.

The residential amortization program shall not be available to developers, contractors or other commercial entities.

E. GENERAL CONDITIONS

1. Postponement of Advance

The Utility, at its option, may postpone, for a period not to exceed five years, that portion of an advance which it estimates would be refunded under the provisions of this rule. At the end of such refund period, the Utility shall collect all such amounts not previously advanced which were not then refundable. When advances are postponed, the applicant may be required to furnish to the Utility evidence of the necessary approvals to commence construction and of adequate financing. A surety bond, or other Utility-approved surety, may be required to assure payment of any postponed amounts at the end of the postponement period.

## RULE NO. 6

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

## 2. Contracts

- a. Each applicant requesting an extension in advance of applications for service will be required to execute a contract covering the terms under which the Utility will install main lines in accordance with the provisions of the tariff schedules.
- b. At the time service is requested, the applicant will submit a list of natural gas equipment to be used including the Btu input.
- c. In the event that no payment is required by a customer, the required signed contract may be waived with the approval of an officer of the Utility.

## 3. One Service for a Single Premise

- a. The Utility will not install more than one service line to supply a single premise, unless it is for the convenience of the Utility or an applicant requests an additional service, and in the opinion of the Utility, an unreasonable burden would be placed on the applicant if the additional service were denied. When an additional service is installed at the applicant's request, the applicant shall make a nonrefundable contribution for the additional service based on the Utility's estimated cost.
- b. When a service extension is made to a meter location upon private property which is subsequently subdivided into separate premises, with ownership portions thereof divested to other than the applicant or the customer, the Utility shall have the right, upon written notice, to discontinue service without obligation or liability. Gas service, as required by said applicant or customer, will be reestablished in accordance with the applicable provisions of the Utility's rules.

## 4. Branch Services

The Utility, at its option, may install a branch service for units on adjoining premises.

RULE NO. 6

SERVICE AND MAIN EXTENSIONS

*(Continued)*

E. GENERAL CONDITIONS *(Continued)*

5. Main Extension Agreement Requirements

- a. Upon request by an applicant for a main extension, the Utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of the installation to be advanced by the applicant.
- b. Any applicant for a main extension requesting the Utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the Utility an amount equal to the estimated cost of preparation. The Utility shall, upon request, make available within 90 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant authorizes the Utility to proceed with the construction of the extension, the deposit shall be credited to the cost of construction; otherwise, the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the Utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates. Subdividers providing the Utility with approved plans shall be provided with plans, specifications or cost estimates within 45 days after receipt of the deposit referred to above.
- c. Where the Utility requires an applicant to advance funds for a main extension, the Utility shall furnish the applicant with a copy of this rule prior to the applicant's acceptance of the Utility's extension agreement.
- d. All main extension agreements requiring payment by the applicant shall be in writing, signed by each party and shall include the following:
  - (1) Name and address of applicant(s).
  - (2) Proposed service address(es) or location(s).

RULE NO. 6

SERVICE AND MAIN EXTENSIONS

*(Continued)*

E. GENERAL CONDITIONS *(Continued)*

- (3) Description and sketch of the requested main extension.
- (4) Description of requested service.
- (5) A cost estimate to include materials, labor, and other costs as necessary.
- (6) Payment terms.
- (7) A concise explanation of any refunding provisions, if applicable.
- (8) The Utility's estimated start date and completion date for construction of the main extension.
- (9) A summary of the results of the Incremental Contribution analysis performed by the Utility to determine the amount of advance required from the applicant for the proposed main extensions.
- (10) Each applicant shall be provided a copy of the approved main extension agreement.

6. Relocation of Services and Mains

- a. When, in the judgment of the Utility, the relocation of a main or service is necessary and is due either to maintenance of adequate service or the operating convenience of the Utility, the Utility shall perform such work at its own expense.
- b. If relocation of a main or service line is due solely to meet the convenience or the requirements of the applicant or the customer, such relocation, including metering and regulating facilities, shall be performed by the Utility at the expense of the applicant or the customer.



RULE NO. 6

SERVICE AND MAIN EXTENSIONS

*(Continued)*

E. GENERAL CONDITIONS *(Continued)*

c. Relocation of facilities will be mandatory and at the customer's expense when actions of the customer restrict the Utility's access to or the safety of the facility.

7. Standby Service or Residential Pool Heating

No allowance will be made for equipment used for standby or emergency purposes only. No allowance will be made for pool heaters for residential customers.

8. Temporary Service

Extensions for temporary service or for operations, which in the opinion of the Utility are of a speculative character or of questionable permanency will not be made under this rule, but will be made in accordance with Rule No. 3.

9. Length and Location

The length of main or service required for an extension will be considered as the distance along the shortest practical and available route, as determined by the Utility, from the Utility's nearest permanent distribution main.

10. Service Impairment to Other Customers

When, in the judgment of the Utility, providing service to an applicant would impair service to other customers, the cost of necessary reinforcement to eliminate such impairment may be included in the cost calculation for the extension.

11. Service From Transmission Lines

The Utility will not tap a gas transmission main except when conditions in its sole opinion justify such a tap. Where such taps are made, the applicant will pay the Utility the cost of such tap, and extensions therefrom will be made in accordance with the provisions of this rule.

## 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 Option

In accordance with 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 a new or replaced single residence service line at the request of a customer. The installation of an excess flow valve is not mandatory; if a customer elects this installation, the Utility shall perform the installation subject to the customer assuming responsibility for all costs associated with installation, maintenance and replacement. Each customer requesting the installation of an excess flow valve will be required to execute a written agreement.

## 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.
2. All meters, regulators, service pipe, fixtures, etc., installed by the Utility upon the customer's premises for the purpose of delivering 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 or interfering with any such regulators, gas piping, appliances, fixtures or apparatus. 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.

B. CUSTOMER RESPONSIBILITY

1. The customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all regulators, gas piping, appliances, fixtures and apparatus of any kind or character located beyond the point of delivery which may be required for receiving gas from the Utility and for applying and utilizing gas, including all necessary protective appliances and suitable housing therefor.
2. The customer will be responsible for the loss of gas or damage caused by gas in piping beyond the Utility's meter.

## 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 promptly notify the Utility of any gas leaks, hazardous, or potentially hazardous conditions in the customer's or the Utility's equipment.

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)*

F. DESCRIPTION OF SERVICE *(Continued)*

3. Determination of Billing Units

a. Positive Displacement Metering-Therm Billing

(1) Average Heating Value

The average heating value (Btu per cubic foot) used in billing shall be determined by means of a recording calorimeter, employing the Thomas principle of calorimetry, or by means of some other recognized method. The average total heating value in any billing period shall be the arithmetic average of the total heating values for each day during such period. In the event the Utility is unable to utilize its own recording calorimeter, the daily average heating values of the gas delivered by the supplier shall be used.

(2) Therms to be Billed

The number of therms to be billed will be determined by multiplying the difference in meter reading by an appropriate billing factor.

The billing factor appropriate for accounts metered at standard delivery pressure will be the average gas heating value, expressed in Btu per cubic foot, divided either by 1,000 for meter registrations in units of 100 cubic feet (Ccf) or by 100 registrations in units of 1,000 cubic feet (Mcf), and the result will be multiplied by the proper value determined by combining the altitude and delivery pressure factors, values shown on A.C.C. Sheet No. 213 of this Arizona Tariff.



## RULE NO. 7

PROVISION OF SERVICE*(Continued)*F. DESCRIPTION OF SERVICE *(Continued)*(2) Therms to be Billed *(Continued)*

<u>Altitude Zone No.</u>	<u>Elevation Range</u>	<u>Standard Barometric Pressure</u>	<u>Standard Delivery Pressure</u>	<u>Value</u>
1	-200-199	14.73	14.98	1.0170
2	200- 599	14.52	14.77	1.0027
3	600- 999	14.32	14.57	.9891
4	1000-1399	14.11	14.36	.9749
5	1400-1799	13.91	14.16	.9613
6	1800-2199	13.72	13.97	.9484
7	2200-2599	13.52	13.77	.9348
8	2600-2999	13.33	13.58	.9219
9	3000-3399	13.14	13.39	.9090
10	3400-3799	12.95	13.20	.8961
11	3800-4199	12.77	13.02	.8839
12	4200-4599	12.58	12.83	.8710
13	4600-4999	12.41	12.66	.8595
14	5000-5399	12.23	12.48	.8473
15	5400-5799	12.05	12.30	.8350
16	5800-6199	11.88	12.13	.8235
17	6200-6599	11.71	11.96	.8119
18	6600-6999	11.54	11.79	.8004
19	7000-7399	11.38	11.63	.7895
20	7400-7799	11.21	11.46	.7780

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. 7

PROVISION OF SERVICE

(Continued)

F. DESCRIPTION OF SERVICE (Continued)

(3) All Other Accounts

When a customer is served natural gas at higher than standard delivery pressure the following correction or conversion factors, if applicable, will be applied to meter readings, in order to determine the billing units.

A		B		C		D
(Standard)		(Average)				
(Barometric + Delivery)		(Heating Value)				
(Pressure(psia)Pressure(psig))	×	(BTU/Cu. Ft.)	×	<u>(520)</u>	×	(Y)
(14.73 psia)		(100,000)		(460+T)		
		(BTU/therm)				

Note: The volume of gas subject to commodity charges will be based on the difference between the current month's reading and the prior billing readings. For those meter readings in hundreds of cubic feet (Ccf) the difference in readings must be multiplied by 100 to obtain cubic feet (Cf) of usage for billing purposes. Standard delivery pressure is .25 psig.

A= Correction for other than standard delivery pressure and altitude.

B= Conversion to therms.

C= Correction of temperature to 60° Fahrenheit.

D= Correction for supercompressibility ratio.

T= Temperature of gas in degrees Fahrenheit.

Y= Correction for deviation from Boyle's Law.

## RULE NO. 7

PROVISION OF SERVICE*(Continued)*F. DESCRIPTION OF SERVICE *(Continued)*

## 4. Tabulation of Standard Barometric Pressure

In adjusting the metered gas volume to the standard pressure base of 14.73 psia, the standard barometric pressure assumed to exist at the meter for various altitudes shall be taken from the following table:

## TABULATION OF STANDARD BAROMETRIC PRESSURE

<u>Altitude Zone No.</u>	<u>Elevation Range</u>	<u>Standard Barometric Pressure</u>
1	-200- 199	14.73
2	200- 599	14.52
3	600- 999	14.32
4	1000-1399	14.11
5	1400-1799	13.91
6	1800-2199	13.72
7	2200-2599	13.52
8	2600-2999	13.33
9	3000-3399	13.14
10	3400-3799	12.95
11	3800-4199	12.77
12	4200-4599	12.58
13	4600-4999	12.41
14	5000-5399	12.23
15	5400-5799	12.05
16	5800-6199	11.88
17	6200-6599	11.71
18	6600-6999	11.54
19	7000-7399	11.38
20	7400-7799	11.21

RULE NO. 7

PROVISION OF SERVICE

*(Continued)*

G. CURTAILMENT

1. Applicability

- a. The order of curtailment shall be in inverse order of the curtailment priorities set forth in Section 2 below.
- b. Curtailment priorities shall apply to both sales customers and transportation customers.
- c. Customers being served under a discounted transportation or sales rate schedule shall be curtailed first. Customers paying the least will be curtailed first within an affected priority.
- d. Each priority shall be curtailed in full before the next priority in order is curtailed.
- e. When Priority 1 customers would be curtailed due to system supply failure (either upstream capacity or supply failure), the Utility is authorized to "preempt" deliveries of lower priority transportation customers' gas and divert such supplies to the otherwise affected Priority 1 customers. Affected transportation customers will be curtailed to the same extent as sales customers of the same priority. Such transportation customers will be compensated for the preemption of their gas supply by either crediting the customer's account with a like quantity of gas for use on a subsequent gas day, or by providing a cash payment or credit to the customer's bill at the cost of gas per unit paid by the customer. If the gas supply of an alternate fuel capable transportation customer is preempted according to this provision, the Utility shall provide additional compensation to such customer for the incremental cost of using the alternate fuel, i.e., the difference between the actual cost of using the alternate fuel and the actual cost of gas paid by the customer for the preempted gas. Such credit shall be applied to the Utility's next scheduled billing after the customer has furnished adequate proof to the Utility concerning alternate fuel costs, replacement volumes and gas costs.
- f. The installation of a cogeneration facility shall not affect the underlying end-use priority of the establishment.

RULE NO. 7

PROVISION OF SERVICE

*(Continued)*

G. CURTAILMENT *(Continued)*

- g. Natural gas utilized as compressed natural gas for vehicle fuel shall be classified as a commercial end-use.
- h. Application of curtailment priorities will normally be done on a scheduled basis as part of the daily gas requirement nomination and confirmation routine. Operational emergency curtailment will conform to these priorities to the extent possible and practicable.
- i. In accordance with the provisions set forth in Section 6.13 of Schedule No. T-1, a transportation customer may be curtailed to the level of actual supply scheduled for that customer, regardless of end-use priority.

2. Priorities

Priority 1: Residential, small commercial (less than 500 therms on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, correctional facility, and emergency situation uses.

Priority 2A: Essential agricultural uses as certified by the Secretary of Agriculture.

Priority 2B: Essential industrial process and feedstock uses.

Priority 2C: Large Commercial (500 therms or more on a peak day) and storage injection requirements, industrial requirements for plant protection, feedstock, process, ignition and flame stabilization needs not specified in Priority 2B.

Priority 3A: Industrial requirements not specified in Priorities 2, 4 and 5, of less than 1,000 therms on a peak day.

Priority 3B: All industrial requirements not specified in Priorities 2, 3A, 4 and 5.

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 construct, operate and maintain transmission and distribution systems in compliance with applicable Federal Safety Standards as adopted by the Commission.

RULE NO. 7

PROVISION OF SERVICE

*(Continued)*

H. CONSTRUCTION STANDARDS AND SAFETY *(Continued)*

2. 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
3. Any accident reported by telephone shall be followed by a written report to the Commission.

RULE NO. 8

METER READING

A. MEASURING OF SERVICE

1. All gas sold by the Utility shall be metered except in the case of gas sold according to a fixed charge schedule or when otherwise authorized by the Commission.
2. Where there is more than one meter at a location, the metering equipment shall be so tagged or plainly marked as to indicate the facilities being metered.

B. CUSTOMER REQUESTED REREADS

1. The Utility shall at the request of a customer reread that customer's meter within ten working days after such request by the customer.
2. During any one 12-month period, no charge will be made for the first two rereads requested by a customer; however, should a customer request subsequent rereads during the same 12-month period, and the original read is proved accurate, the Utility may charge the customer an amount as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 15 of this Arizona Gas Tariff.
3. When a reading is found to be in error, the reread will not be charged to the customer.

C. CUSTOMER REQUESTED METER TESTS

1. The Utility shall test a meter upon customer request and may charge the customer a fee as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 15 of this Arizona Gas Tariff, which is incorporated herein by reference, for such meter test. However, if the meter is found to be in error by more than 3 percent, no meter testing fee will be charged to the customer.



RULE NO. 8

METER READING

*(Continued)*

C. CUSTOMER REQUESTED METER TESTS *(Continued)*

2. In the event the customer should at any time request that the meter be tested by an independent certified testing agency mutually accepted by all parties, the customer shall be directly responsible to and shall be charged by said independent testing agency for the full costs of such test, unless the meter is inaccurate in excess of 3 percent, in which case the Utility shall be liable for such cost. Further, in this regard, the customer shall be notified in advance as to the existence of this provision and the nature of the charge herein provided.

D. FACILITIES ON CUSTOMER'S PREMISES

1. Meter Installation

- a. All meters will be installed by the Utility in some convenient location approved by the Utility and so placed as to be at all times accessible for inspection, reading and testing. The Utility will change the meter location on customer's premises for reasonable cause but when such request is made solely to suit the customer's convenience, or to overcome unsafe conditions other than those caused by the Utility, a charge may be made to cover the actual cost of the change.
- b. In all buildings in which separate meters are hereafter required to be installed for various floors or groups of rooms in order to measure the gas supplied to each tenant, the Utility may require all meters to be located at a central point, and each such meter will be clearly marked to indicate the particular location supplied by it.
- c. The Utility, at its convenience, may install Automatic Meter Reading (AMR) or Offsite Meter Reading (OMR) devices on the customer's premises. When such a request is made solely for the convenience of the customer, a charge will be assessed for the actual cost of the device including installation.

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.

RULE NO. 9

BILLING AND COLLECTION

A. FREQUENCY OF BILLS

1. The Utility shall bill monthly for services rendered. Meter readings shall be scheduled for periods of not less than 25 days or more than 35 days.
2. Bills will be based on meter registration.

a. Therms

Bills based upon therm usage for gas service will show the date and the reading of the meter at the start of the billing period, the date and the reading of the meter at the end of the period for which the bill is rendered, the billing factor, and the number of therms used.

b. Ccf

Bills based on volumetric measurement for gas service will show the date and the reading of the meter at the start of the billing period, the date and the reading of the meter at the end of the period for which the bill is rendered, the billing factor and the volume of gas used.

c. Other

For customers receiving gas through flow rate measuring devices, bills will be rendered in accordance with the contract between the Utility and the customer in accordance with the industry acceptable measurement standards as set forth in Rule No. 8.

B. ESTIMATED BILLS

1. If the Utility is unable to read the meter on the scheduled meter read date, the Utility will estimate the consumption for the billing period giving consideration to the following factors where applicable.

- a. The customer's usage during the same month of the previous year.

## RULE NO. 9

BILLING AND COLLECTION*(Continued)*B. ESTIMATED BILLS *(Continued)*

- b. The amount of usage during the preceding month.
  - c. Any change in temperature from the preceding month.
  - d. Seasonal load factors and weather patterns.
2. After the second consecutive month of estimating the customer's bill for reasons other than severe weather, the Utility will attempt to secure an accurate reading of the meter.
  3. Failure on the part of the customer to comply with a reasonable request by the Utility for access to its meter may lead to the discontinuance of service.
  4. Estimated bills will be issued only under the following conditions:
    - a. Severe weather conditions which prevent the Utility from reading the meter.
    - b. Circumstances that make it impossible to read the meter, i.e., locked gates, blocked meters, vicious or dangerous animals, etc.
  5. Each current bill based on estimated usage will indicate that it is an estimated bill.

## C. PRORATION OF BILLS

With the exception of opening and closing bills for periods of less than 25 days, no proration shall be made to the basic service charge and no bill shall be less than the specified minimum charge.

Bills rendered for periods of less than 25 days or more than 35 days will be prorated in accordance with the following:

1. 30.4 days in average month  
Number of days in meter read = Prorate Factor PRF
2. Usage Billed × PRF = Monthly Usage Adjusted
3. Monthly Usage Adjusted × Appropriate Commodity Charge = Monthly Commodity Revenue Adjusted

RULE NO. 9

BILLING AND COLLECTION

(Continued)

C. PRORATION OF BILLS (Continued)

4. Monthly Commodity Revenue Adjusted

PRF = Prorated Revenue

D. COMBINING METERS, MINIMUM BILL INFORMATION

- 1. Each meter at a customer's premises will be considered separately for billing purposes, and the readings of two or more meters will not be combined except in those instances approved by the Utility.
- 2. Each bill for residential service will contain the following minimum information:
  - a. Date and meter reading at the start of billing period or number of days in the billing period
  - b. Date and meter reading at the end of the billing period
  - c. Billed usage
  - d. Schedule number
  - e. Utility telephone number and address
  - f. Customer's name
  - g. Service account number and service address
  - h. Amount due and due date
  - i. Past due amount
  - j. Adjustment factor, where applicable
  - k. Taxes
  - l. The address of the Arizona Corporation Commission
  - m. Date of presentation

RULE NO. 9

BILLING AND COLLECTION

*(Continued)*

E. BILLING TERMS

1. All current bills for Utility services are due and payable no later than 20 days from the date the bill is rendered. Any payment not received within this time frame shall be considered past due.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:
  - a. The postmark date
  - b. The mailing date
  - c. The billing date shown on the bill (however, where the billing date differs from the postmark or mailing date, a. or b. above applies).
3. Any payment not received before the next bill is rendered shall be considered delinquent. The Utility shall be allowed to assess a late charge on all delinquent bills as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 15 of this Arizona Gas Tariff, which is incorporated herein by reference.
4. All delinquent bills for which payment has not been received within ten days shall be subject to the provisions of the Utility's termination procedures.

The following information will be included with each delinquent bill for service:

- a. The scheduled "Pay by" date to avoid discontinuance of service
- b. Reconnection fees if service is discontinued
- c. Reestablishment of credit requirements as set forth in Rule No. 3
- d. Address and telephone number of local office
- e. A statement of rights and remedies if the bill is disputed

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.

RULE NO. 9  
BILLING AND COLLECTION  
*(Continued)*

G. METHODS OF PAYMENT

1. Payments are required to be made in cash, by check, money order, certified check or any other means mutually agreeable to the Utility and the customer.
2. All payments shall be presented by mail, telephone, in person, or electronically to the office of the Utility or to the Utility's duly-authorized representative.

H. APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE AND TAXES

1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.
2. The Utility shall make provisions for advance payment of the Utility's services.
3. Failure to receive bills or notices which have been properly placed in the United States mail or sent by means of electronic transfer shall not prevent such bills from becoming delinquent nor relieve the customer of his obligation therein.
4. Charges for services commence when the service is installed and connection made, whether used or not.

I. METER ERROR CORRECTIONS

1. If any meter after testing is found to be more than 3 percent in error, either fast or slow, proper correction shall be made of previous readings and adjusted bills shall be rendered according to the following terms:
  - a. The period of three months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three months since the meter shall have been shown to be in error by such test.
  - b. If the date of the cause for the error can be definitely determined, the undercharge or overcharge shall be computed back to, but not beyond the date established and will not exceed 12 months. No part of the minimum charge will be refunded.



RULE NO. 9

BILLING AND COLLECTION  
(Continued)

I. METER ERROR CORRECTIONS (Continued)

- c. In case of underbilling, the Utility may forego rendering a corrected bill if the amount of the underbilling is not significant in the opinion of the Utility.
2. In the event of stoppage or failure of any meter to register, the customer will be billed on an estimated consumption for a period not to exceed 12 months based upon his use of gas in a similar period of like use, to include adjustments for weather variations if applicable or known changes in the customer's connected load. In the event there have been changes in the customer's connected load the bill will be based on the customer's prior requirements, if reliable, taken in connection with subsequent requirements correctly metered, and the general characteristics of the customer's operations.
3. If the beginning date for meter error corrections cannot be reliably established, or the Utility and customer cannot agree, the matter will be resolved under the provisions of Rule No. 11.
4. No adjustment shall be made by the Utility except to the customer last served by the meter tested.

J. RETURNED ITEMS

1. The Utility shall be allowed to recover a charge as set forth in the currently effective Statement of Rates, A.C.C. Sheet No. 15 of this Arizona Gas Tariff, which is incorporated herein by reference, for each instance where an item from a customer used to pay a bill for Utility service is returned to the Utility as uncollectible for any reason, including a lack of sufficient funds.
2. When the Utility is notified that an item has been returned as uncollectible, the Utility may require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to the Utility.
3. A customer who tenders an item which has been returned as uncollectible shall in no way be relieved of the obligation to render payment to the Utility under the original terms of the bill or defer the Utility's provision for termination of service for nonpayment of bills.

## RULE NO. 9

BILLING AND COLLECTION*(Continued)*

## K. EQUAL PAYMENT PLAN

1. The Equal Payment Plan (EPP) is available to all residential customers receiving (or applicants qualifying and applying to receive) natural gas service provided that the customer (applicant) has established credit to the satisfaction of the Utility.
2. Participation in the EPP is subject to approval by the Utility.
3. Customers may sign up for the EPP at any time of year. The EPP amount will be based on the annual estimated bill divided into 12 equal monthly payments.
4. The Utility will render its regular monthly billing statement showing both the amount for actual usage for the period and the designated EPP amount. The customer will pay his designated EPP amount, plus any additional amount shown on the bill for materials, parts, labor or other charges.
5. The settlement month will be the customer's anniversary date, 12 months from the time the customer entered the EPP. The settlement amount is the difference between the EPP payments made and the amount actually owing based on actual usage during the period the customer was billed under the EPP. All debit amounts are due and payable in the settlement month. However, debit amounts of \$50 or less may be carried forward and added to the total annual estimated bill for the next EPP year. Credit amounts of \$50 or less will be carried forward and applied against the first billing or billings due in the next EPP year. Credit amounts over \$50 will be refunded by check.
6. The EPP amount may be adjusted quarterly to reduce the likelihood of an excessive debit or credit balance in the settlement month for changes in rates due to Commission-approved rate increases or decreases greater than 5 percent, or when estimates indicate that an overpayment or undercollection of \$50 or more may occur by the end of the plan year.
7. The Utility may remove from the EPP and place on regular billing any customer who fails to make timely payments according to his EPP obligation. Such a customer will then be subject to termination of service in accordance with Rule No. 10 for nonpayment of a bill.



RULE NO. 9

BILLING AND COLLECTION  
(Continued)

M. DEFERRED PAYMENT PLAN

1. The Utility may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for Utility service.
2. Each deferred payment agreement entered into by the Utility and the customer due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:
  - a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
  - b. Customer agrees to pay all future bills for Utility service in accordance with the billing and collection tariffs of the Utility.
  - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six months.
3. For the purposes of determining a reasonable installment payment schedule under these rules, the Utility and the customer shall give consideration to the following conditions:
  - a. Size of the delinquent account
  - b. Customer's ability to pay
  - c. Customer's payment history
  - d. Length of time that the debt has been outstanding
  - e. Circumstances which resulted in the debt being outstanding
  - f. Any other relevant factors related to the circumstances of the customer

RULE NO. 9

BILLING AND COLLECTION  
(Continued)

M. DEFERRED PAYMENT PLAN (Continued)

4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the Utility's scheduled termination date for nonpayment of bills. In the event a deferred payment agreement has been negotiated and the customer fails to execute said agreement prior to the scheduled termination date, the Utility shall discontinue service for nonpayment.
5. Deferred payment agreements may be in writing and shall be signed by the customer and an authorized Utility representative.
6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding.
7. If a customer has not fulfilled the terms of a deferred payment agreement, the Utility shall have the right to disconnect service pursuant to the Utility's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

N. CHANGE OF OCCUPANCY

1. Not less than five working days' advance notice must be given in person, in writing, or by telephone to the Utility's office to discontinue service or to change occupancy.
2. The outgoing party shall be responsible for all Utility services provided and/or consumed up to the scheduled turn-off date.

RULE NO. 9

BILLING AND COLLECTION  
(Continued)

O. ELECTRONIC BILLING

Electronic Billing is an optional billing service for residential sales customers whereby customers may elect to receive, view, and pay their gas bills electronically. An electronic bill may be generated in lieu of a paper bill under the following conditions:

1. Customers requesting this service may be required to complete additional forms and agreements with the Utility and/or the Electronic Billing Service Provider.
2. Customers must use a third party Electronic Billing Service Provider.
3. Electronic Billing may be discontinued at any time by the Utility, the customer or the Electronic Billing Service Provider.
4. 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 Electronic Billing and 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 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.

RULE NO. 10

TERMINATION OF SERVICE

*(Continued)*

A. NONPERMISSIBLE REASONS TO DISCONNECT SERVICE *(Continued)*

- g. Residential service to ill, elderly, or handicapped persons who have an inability to pay will not be terminated until all of the following have been attempted:
  - (1) The customer has been informed of the availability of funds from various government and social assistance agencies
  - (2) A third party previously designated by the customer has been notified and has not made arrangements to pay the outstanding Utility bill.
- h. A customer utilizing the provisions of (f) or (g) above may be required to enter into a deferred payment agreement with the Utility within ten days after the scheduled termination date.
- i. The gas service will not be discontinued for nonpayment under any circumstances on the day prior to a national holiday or weekend.
- j. Disputed bills where the customer has complied with the Commission's rules on customer bill disputes.

B. TERMINATION OF SERVICE WITHOUT NOTICE

- 1. Utility service may be disconnected without advance written notice under the following conditions:
  - a. For unsafe apparatus or where service is detrimental or damaging to the Utility, its customers, or the general public.



RULE NO. 10

TERMINATION OF SERVICE  
(Continued)

B. TERMINATION OF SERVICE WITHOUT NOTICE (Continued)

- (1) If any unsafe or hazardous condition is found to exist on the customer's premises, or if the use of gas thereon by apparatus, appliances, equipment or otherwise is found to be detrimental or damaging to the Utility, its customers, or the general public, or if the utilization of gas by means thereof is prohibited or forbidden by law, the service may be disconnected without notice. The Utility will attempt to notify the customer or occupant immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.
- (2) The Utility does not assume the duty of inspecting the customer's house piping, appliances or apparatus or any part thereof and assumes no liability therefore.

b. For Fraud

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.

- c. Unauthorized resale or use of Utility services.
- d. Failure of a customer to comply with the curtailment procedures imposed by the Utility during supply shortages.
2. The Utility shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Utility.
3. The Utility shall maintain a record of all terminations of service without notice. This record will be maintained for a minimum of one year and shall be available for inspection by the Commission.

RULE NO. 10

TERMINATION OF SERVICE

*(Continued)*

C. TERMINATION OF SERVICE WITH NOTICE

1. The Utility may disconnect service to any customer for any reason stated below provided the Utility has met the notice requirements established by the Commission:
  - a. Customer violation of any of the Utility's tariffs.
  - b. Failure of the customer to pay a delinquent bill for Utility service.
  - c. If a customer is receiving gas service at more than one location, service at all locations may be discontinued if bills for service at any one or more of these locations are not paid within 25 days, provided the Utility has given the customer at least five days' prior written notice of such intention. However, domestic residential service will not be discontinued because of nonpayment of bills for other classes of service.
  - d. Failure to meet or maintain the Utility's deposit requirements.
  - e. If, for the convenience of an applicant, the Utility should establish gas service to an applicant before he has established his credit, the Utility may discontinue service if the applicant fails to establish credit within five days thereafter.
  - f. Use of restricted apparatus.
  - g. Failure of the customer to provide the Utility reasonable access to its equipment and property.
  - h. Customer breach of a written contract or agreement for service or service-related work between the Utility and customer.
  - i. When necessary for the Utility to comply with an order of any governmental agency having such jurisdiction.
2. The Utility shall maintain a record of all terminations of service with notice. This record shall be maintained for one year and be available for Commission inspection.

RULE NO. 10

TERMINATION OF SERVICE

*(Continued)*

D. TERMINATION NOTICE REQUIREMENTS

1. The Utility shall not terminate service to any of its customers without providing advance written notice to the customer of the Utility's intent to disconnect service, except under those conditions specified where advance written notice is not required.
2. Such advance written notice shall contain, at a minimum, the following information:
  - a. The name of the person whose service is to be terminated and the address where service is being rendered.
  - b. The Utility tariff that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the Utility, if applicable.
  - c. The date on or after which service may be terminated.
  - d. A statement advising the customer that the Utility's stated reason for the termination of services may be disputed by contacting the Utility at a specific address or phone number, advising the Utility of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Utility in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the Utility shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the customer of his right to file a complaint with the Commission.
3. Where applicable, a copy of the termination notice will be forwarded to designated third parties prior to termination of service.

RULE NO. 10

TERMINATION OF SERVICE

*(Continued)*

E. TIMING OF TERMINATIONS WITH NOTICE

1. The Utility shall be required to give at least five days' advance written notice prior to the termination date.
2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid or arrangements have not been made with the Utility for the payment thereof or in the case of a violation of the Utility's rules the customer has not satisfied the Utility that such violation has ceased, the Utility may then terminate service on or after the day specified in the notice without giving further notice.
4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the Utility.

F. LANDLORD/TENANT RULE

In situations where service is rendered at an address different from the mailing address of the bill or where the Utility knows that a landlord/ tenant relationship exists and that the landlord is the customer of the Utility, and where the landlord as customer would otherwise be subject to disconnection of service, the Utility may not disconnect service until the following actions have been taken:

1. Where it is feasible to provide service, the Utility, after providing notice as required in this rule, shall offer the occupant the opportunity to subscribe for service in his or her name. If the occupant then declines to so subscribe, the Utility may disconnect service pursuant to this rule.
2. The Utility shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

RULE NO. 11

ADMINISTRATIVE AND HEARING REQUIREMENTS

A. CUSTOMER SERVICE COMPLAINTS

1. The Utility shall make a full and prompt investigation of all service complaints made by its customers, either directly or through the Commission.
2. The Utility shall respond to the complainant and/or the Commission representative within five working days as to the status of the Utility investigation of the complaint.
3. The Utility shall notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the Utility shall report the findings of its investigation in writing.
4. The Utility shall inform the customer of his right of appeal to the Commission.
5. The Utility shall keep a record of all written service complaints received which shall contain, at a minimum, the following data:
  - a. Name and address of complainant
  - b. Date and nature of the complaint
  - c. Disposition of the complaint
  - d. Copy of any correspondence between the Utility, the customer, and/or the Commission.

This record shall be maintained for a minimum period of one year and shall be available for inspection by the Commission.

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.

RULE NO. 11

ADMINISTRATIVE AND HEARING REQUIREMENTS

*(Continued)*

C. COMMISSION RESOLUTION OF SERVICE AND/OR BILL DISPUTES *(Continued)*

2. Within 30 days of the receipt of a written statement of customer dissatisfaction related to a service or bill dispute, a designated representative of the Commission shall endeavor to resolve the dispute by correspondence and/or telephone with the Utility and the customer. If resolution of the dispute is not achieved, it shall be the judgment of the Commission to determine when an informal hearing is required to arbitrate the resolution of the dispute. The informal hearing shall be governed by the following rules:
  - a. Each party may be represented by counsel, if desired.
  - b. All such informal hearings may be recorded or held in the presence of a stenographer.
  - c. All parties will have the opportunity to present written or oral evidentiary material to support the positions of the individual parties.
  - d. All parties and the Commission's representative shall be given the opportunity for cross-examination of the various parties.
  - e. The Commission's representative will render a written decision to all parties within five working days after the date of the informal hearing. Such written decision of the arbitrator is not binding on any of the parties and the parties will still have the right to make a formal complaint to the Commission.
3. The Utility may implement normal termination procedures if the customer fails to pay all bills rendered during the resolution of the dispute by the Commission.
4. The Utility shall maintain a record of written statements of dissatisfaction and their resolution for a minimum of one year and make such records available for Commission inspection.