



SOUTHWEST GAS CORPORATION

March 27, 2008

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

Subject: Revision No. 142

This revision reflects authorization by the Arizona Corporation Commission for Southwest to implement monthly gas cost rates for its customers in Arizona and to revise its Demand Side Management (DSM) surcharge. The attached sheets reflect revised rates incorporating the DSM surcharge effective April 1, 2008.

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

Insert A.C.C. Sheet No.

101st Revised Sheet No. 11
104th Revised Sheet No. 12
32nd Revised Sheet No. 13

Supersedes A.C.C. Sheet No.

100th Revised Sheet No. 11
103rd Revised Sheet No. 12
31st Revised Sheet No. 13

Debra Jacobson, Director
Government and State Regulatory Affairs

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

| <u>Description</u> | <u>Delivery Charge</u> | <u>3/ Rate Adjustment</u> | <u>4/ Monthly Gas Cost</u> | <u>Currently Effective Tariff Rate</u> |
|--|------------------------|---------------------------|----------------------------|--|
| <u>G-5 – Single-Family Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 9.70 | | | \$ 9.70 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| First 15 Therms | \$.54200 | \$.01510 | \$.94457 | \$ 1.50167 |
| Over 15 Therms | .50100 | .01510 | .94457 | 1.46067 |
| Winter (November–April): | | | | |
| First 35 Therms | \$.54200 | \$.01510 | \$.94457 | \$ 1.50167 |
| Over 35 Therms | .50100 | .01510 | .94457 | 1.46067 |
| <u>G-6 – Multi-Family Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 8.70 | | | \$ 8.70 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| First 7 Therms | \$.54200 | \$.01510 | \$.94457 | \$ 1.50167 |
| Over 7 Therms | .50100 | .01510 | .94457 | 1.46067 |
| Winter (November–April): | | | | |
| First 18 Therms | \$.54200 | \$.01510 | \$.94457 | \$ 1.50167 |
| Over 18 Therms | .50100 | .01510 | .94457 | 1.46067 |
| <u>G-10 – Single-Family Low Income Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 7.00 | | | \$ 7.00 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| First 15 Therms | \$.54200 | \$.00569 | \$.83457 | \$ 1.38226 |
| Over 15 Therms | .50100 | .00569 | .83457 | 1.34126 |
| Winter (November–April): | | | | |
| First 35 Therms | \$.26555 | \$.00569 | \$.83457 | \$ 1.10581 |
| Next 115 Therms | .23275 | .00569 | .83457 | 1.07301 |
| Over 150 Therms | .50100 | .00569 | .83457 | 1.34126 |
| <u>G-11 – Multi-Family Low Income Residential Gas Service</u> | | | | |
| Basic Service Charge per Month | \$ 7.00 | | | \$ 7.00 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| First 7 Therms | \$.54200 | \$.00569 | \$.83457 | \$ 1.38226 |
| Over 7 Therms | .50100 | .00569 | .83457 | 1.34126 |
| Winter (November–April): | | | | |
| First 18 Therms | \$.26555 | \$.00569 | \$.83457 | \$ 1.10581 |
| Next 132 Therms | .23275 | .00569 | .83457 | 1.07301 |
| Over 150 Therms | .50100 | .00569 | .83457 | 1.34126 |
| <u>G-15 – Special Residential Gas Service for Air Conditioning</u> | | | | |
| Basic Service Charge per Month | \$ 9.70 | | | \$ 9.70 |
| Commodity Charge per Therm: | | | | |
| Summer (May–October): | | | | |
| First 15 Therms | \$.54200 | \$.00569 | \$.94457 | \$ 1.49226 |
| Over 15 Therms | .28200 | .00569 | .94457 | 1.23226 |
| Winter (November–April): | | | | |
| First 35 Therms | \$.54200 | \$.00569 | \$.94457 | \$ 1.49226 |
| Over 35 Therms | .50100 | .00569 | .94457 | 1.45126 |

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

| Description | Delivery Charge | ^{3/} Rate Adjustment | ^{4/} Monthly Gas Cost | Currently Effective Tariff Rate |
|--|--------------------------------------|----------------------------------|-----------------------------------|---------------------------------|
| <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 | \$.01510 | \$.94457 | \$ 1.34367 |
| <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 | \$.00569 | \$.94457 | \$ 1.51243 |
| Medium, All Usage | .39349 | .00569 | .94457 | 1.34375 |
| Large, All Usage | .27211 | .00569 | .94457 | 1.22237 |
| Transportation Eligible | .08953 | .00569 | .94457 | 1.03979 |
| Demand Charge per Month— Transportation Eligible: | | | | |
| Demand Charge ^{5/} | \$.06234 | | | \$ 0.06234 |
| <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 | \$.00569 | \$.94457 | \$ 1.04926 |
| <u>G-45 – Street Lighting Gas Service</u> | | | | |
| Commodity Charge per Therm of Rated Capacity: | | | | |
| All Usage | \$.54600 | \$.00569 | \$.94457 | \$ 1.49626 |
| <u>G-55 – Gas Service for Compression on Customer's Premises ^{6/}</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 | \$.00569 | \$.94457 | \$ 1.12026 |
| <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 | \$.00569 | \$.94457 | \$ 1.06426 |
| <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 | \$.00569 | \$.94457 | \$ 1.17326 |

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

| Description | Delivery Charge | ^{3/} Rate Adjustment | ^{4/} Monthly Gas Cost | Currently Effective Tariff Rate |
|---|-----------------|-------------------------------|--------------------------------|---------------------------------|
| G-80 – Natural Gas Engine ^{7/} Gas Service | | | | |
| 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 | \$.00569 | \$.75277 | \$ 0.93546 |

- ^{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 \$.00806 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 \$.00941 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 \$.00423 per therm to fund DSM Program costs. This charge shall be updated annually effective the first billing cycle in April.
- (c) For all rate schedules, except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00074 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.