

**SOUTHWEST GAS CORPORATION
ARIZONA**

**Adjustment No. 38
Sheet 1 of 1**

TAXES AND ASSESSMENTS ON GAS SALES NOT INCLUDED IN RATES

Foot Note	City	Effective County Sales Tax Rate	Effective State Sales Tax Rate	CITY TAXES							TOTAL EFFECTIVE RATES		
				Franchise Fees		Sales Tax			Business Occupation Tax		Residential	Commercial	Industrial and Other
				Effective Industrial	Effective Res/Com.	Statutory	Effective Industrial	Effective Res/Com.	Industrial	Res/Com.			
	Apache Junction (Pinal County)	1.00%	5.62%	0.00%	0.00%	3.20%	3.20%	3.20%	0.00%	0.00%	10.13%	10.07%	10.07%
	Apache Junction (Maricopa Co.)	0.70%	5.62%	0.00%	0.00%	3.20%	3.20%	3.20%	0.00%	0.00%	9.83%	9.77%	9.77%
[C]	Avondale	0.72%	5.73%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	8.76%	8.69%	8.57%
	Benson	0.50%	5.62%	0.00%	0.00%	2.50%	2.50%	2.50%	0.00%	0.00%	8.93%	8.87%	8.87%
[C]	Bisbee	0.51%	5.73%	0.00%	2.00%	2.50%	2.50%	0.50%	0.00%	0.00%	9.05%	8.99%	8.87%
[C]	Buckeye	0.72%	5.73%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	8.76%	8.69%	8.57%
[C]	Bullhead City	0.26%	5.73%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	8.30%	8.23%	8.12%
[C]	Casa Grande	1.02%	5.73%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	9.06%	9.00%	9.00%
	Cave Creek	0.76%	5.62%	0.00%	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%	9.63%	9.57%	9.57%
[C]	Chandler	0.72%	5.73%	2.00%	2.00%	2.75%	2.75%	2.75%	0.00%	0.00%	11.51%	11.44%	11.44%
[A] [C]	Clifton	0.51%	5.74%	2.12%	2.12%	2.00%	2.00%	2.00%	0.00%	0.00%	10.68%	10.62%	10.62%
[C]	Coolidge	1.02%	5.73%	0.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	11.06%	11.00%	8.87%
[C]	Douglas	0.51%	5.73%	0.00%	2.00%	2.50%	2.50%	0.50%	0.00%	0.00%	9.05%	8.99%	8.87%
[C]	El Mirage	0.72%	5.73%	0.00%	2.00%	3.00%	3.00%	1.00%	0.00%	0.00%	9.76%	9.69%	9.57%
[C]	Eloy	1.00%	5.62%	0.00%	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%	9.93%	9.87%	9.87%
[C]	Florence	1.02%	5.73%	0.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	11.06%	11.00%	8.87%
	Fountain Hills	0.70%	5.62%	0.00%	0.00%	1.60%	1.60%	1.60%	0.00%	0.00%	8.23%	8.17%	8.17%
[C]	Gila Bend	0.70%	5.62%	0.00%	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%	9.63%	9.57%	9.57%
[C]	Gilbert	0.72%	5.73%	0.00%	2.00%	1.50%	1.50%	1.50%	0.00%	0.00%	10.26%	10.19%	8.07%
[C]	Glendale	0.72%	5.73%	0.00%	2.00%	1.80%	1.80%	0.00%	0.00%	0.00%	8.76%	8.69%	8.37%
[C]	Globe	1.01%	5.65%	0.00%	0.50%	1.50%	1.50%	1.50%	2.00%	2.00%	10.96%	10.90%	10.37%
[C]	Goodyear	0.72%	5.73%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	8.76%	8.69%	8.57%
	Guadalupe	0.70%	5.62%	0.00%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	8.63%	8.57%	8.57%
[C]	Hayden	1.02%	5.73%	0.00%	2.00%	1.00%	1.00%	0.00%	0.00%	0.00%	9.06%	9.00%	7.87%
[C]	Huachuca City	0.51%	5.73%	0.00%	2.00%	1.50%	1.50%	0.00%	0.00%	0.00%	8.55%	8.49%	7.87%
[C]	Kearny	1.02%	5.73%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	9.06%	9.00%	9.00%
[C]	Litchfield Park	0.72%	5.73%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	8.76%	8.69%	8.57%
[C]	Mammoth	1.02%	5.73%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	9.06%	9.00%	9.00%
	Marana	0.00%	5.62%	0.00%	0.00%	4.00%	4.00%	4.00%	0.00%	0.00%	9.93%	9.86%	9.86%
[A] [C]	Mesa	0.72%	5.80%	1.18%	3.18%	1.50%	1.50%	0.00%	0.00%	0.00%	10.01%	9.95%	9.32%
[C]	Miami	1.02%	5.73%	0.00%	2.00%	0.00%	0.00%	0.00%	5.00%	3.00%	12.06%	12.00%	11.87%
	Oro Valley	0.00%	5.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.93%	5.86%	5.86%
[A] [C]	Paradise Valley	0.72%	5.74%	0.17%	2.17%	1.40%	1.40%	0.00%	0.00%	0.00%	8.94%	8.87%	8.15%
[C]	Parker	1.138%	5.73%	0.00%	2.00%	3.00%	3.00%	1.00%	0.00%	0.00%	10.18%	10.11%	9.98%
[C]	Peoria	0.72%	5.73%	0.00%	2.00%	3.00%	3.00%	1.00%	0.00%	0.00%	9.76%	9.69%	9.57%
[C]	Phoenix	0.72%	5.73%	2.00%	2.00%	2.70%	0.70%	0.70%	0.00%	0.00%	9.52%	9.45%	9.45%
[C]	Queen Creek	0.72%	5.73%	0.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	10.76%	10.69%	8.57%
[C]	Sahuarita	0.00%	5.73%	0.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	10.04%	9.98%	7.86%
[C]	San Carlos Ind. Res.	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.31%	2.25%	0.25%
[C]	San Luis	1.54%	5.73%	0.00%	2.00%	2.50%	2.50%	0.50%	0.00%	0.00%	10.07%	10.01%	9.87%
[C]	Scottsdale	0.72%	5.73%	0.00%	2.00%	1.40%	1.40%	0.00%	0.00%	0.00%	8.76%	8.69%	7.97%
[C]	Sierra Vista	0.50%	5.62%	0.00%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	8.43%	8.37%	8.37%
[C]	Somerton	1.54%	5.73%	0.00%	2.00%	2.50%	2.50%	0.50%	0.00%	0.00%	10.07%	10.01%	9.87%
[C]	South Tucson	0.00%	5.73%	2.00%	2.00%	2.50%	2.50%	2.50%	0.00%	0.00%	10.54%	10.48%	10.48%
[C]	Superior	1.02%	5.73%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	11.06%	11.00%	11.00%
[C]	Surprise	0.72%	5.73%	0.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	10.76%	10.69%	8.57%
[C]	Tempe	0.70%	5.62%	0.00%	0.12%	1.80%	1.80%	1.80%	0.00%	0.00%	8.56%	8.49%	8.37%
[C]	Tolleson	0.72%	5.73%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	8.76%	8.69%	8.69%
[C]	Tombstone	0.51%	5.73%	0.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.55%	8.49%	6.37%
[C]	Tucson	0.00%	5.74%	2.25%	2.25%	2.00%	2.00%	2.00%	0.00%	0.00%	10.30%	10.24%	10.24%
	Wellton	1.51%	5.62%	0.00%	0.00%	2.50%	2.50%	2.50%	0.00%	0.00%	9.93%	9.87%	9.87%
[C]	Wickenburg	0.72%	5.73%	0.00%	2.00%	1.00%	1.00%	0.00%	0.00%	0.00%	8.76%	8.69%	7.57%
[C]	Winkelman	1.02%	5.73%	0.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.06%	9.00%	6.87%
[C]	Youngtown	0.70%	5.62%	0.00%	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	8.63%	8.57%	8.57%
[C]	Yuma	1.54%	5.73%	0.00%	2.00%	1.70%	1.70%	1.70%	0.00%	0.00%	11.27%	11.21%	9.07%

County Taxes (Outside City Limits)

County	Cochise	Gila	Graham	Greenlee	LaPaz	Pinal	Yuma	Maricopa	Mohave	Pima
Statutory County Sales Tax Rate	0.50%	1.00%	0.50%	0.50%	1.112%	1.00%	1.50%	0.70%	0.25%	0.00%
[B] State and County Effective Rate	6.43%	6.93%	6.43%	6.43%	7.04%	6.93%	7.43%	6.63%	6.18%	5.93%

Statutory State Sales Tax Rate	5.60%
Arizona Corporation Commission Assessment (ACC) Rate	0.25%
Residential Utility Consumer Office Assessment (RUCO) Rate	0.06%

[A] Cities with Property Tax Equivalent Franchise Fee

Updated: February 19, 2003

[B] For Residential Customers the Effective Rate Includes State Sales Tax, ACC and RUCO

[C] The Statutory Franchise Fee Rate is 2%

GENERAL

The charges of the Utility do not include the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder.

APPLICABILITY

In order to collect the stated taxes, fees and assessments as shown for the various taxing authorities, the effective tax rates will be added for gas service.