

Schedule No. CGEN-1

COGENERATION GAS SERVICE

APPLICABILITY

Applicable to gas service to customers located in the service area formerly served by Black Mountain Gas Company where natural gas is used in a cogeneration 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 premise. This schedule is available for only the cogeneration portion of the customer's gas purchases.

TERRITORY

Throughout the certificated area formerly served by Black Mountain Gas Company.

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 PROVISION

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.