

Schedule No. R-1

RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to customers located in the service area formerly served by Black Mountain Gas Company which consists of direct domestic gas usage in a residential dwelling for space heating, clothes drying, cooking, water heating, and other residential uses.

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.

Customers whose household income does not exceed 150 percent of the federal poverty level are eligible to receive a 20 percent Low Income Residential discount off the first 150 therms total commodity charge each month of the winter season. All special conditions of Schedule No. G-10 apply to this discount

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 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.