

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision shall apply to all schedules except for Rate Schedule Nos. G-30, G-80, T-1, and SB-1 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. 70665, the PGA rate included in the MGC rate cannot be more than \$.15 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.

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION
(Continued)

MONTHLY INFORMATIONAL FILINGS

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by the Commission. Additionally, the Utility shall file revised tariff sheets that include the current month's MGC rate.

ADDITIONAL REQUIREMENTS

Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or one percent (1%) of total annual purchases.

The Gas Cost Balancing Account (GCBA) balance will be evaluated monthly and the GCBA Adjustment will be established pursuant to Commission Decision No. 74595 (Docket No. G-01551A-14-0148).

SPECIAL SUPPLEMENTARY TARIFF
GRAHAM COUNTY PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Graham County Purchased Gas Cost Adjustment Provision(GCPGA) shall apply to all Graham County (GC) schedules of this Arizona Gas Tariff.

CHANGE IN RATES

The Graham County Monthly Gas Cost (GCMGC) rate for schedules covered by this provision shall remain fixed at the current rate of \$0.46920 per therm until GC schedules are consolidated with the Utility's Arizona Gas Tariff No. 7.

BANK BALANCE

The Utility shall establish and maintain a GC Gas Cost Balancing Account 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 GCMGC rate by the therms billed during the month under the applicable schedules of this Arizona Gas Tariff.
2. Upon consolidation of GC rate schedules with existing Southwest Gas rate schedules, the balance in the GC Gas Cost Balancing Account will be included with the Utility's Arizona Gas Tariff No. 7 balance.

ADDITIONAL REQUIREMENTS

Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or one percent (1%) of total annual purchases.

SOUTHWEST GAS CORPORATION
P.O. Box 98510
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Arizona Gas Tariff No. 7
Arizona Division

Canceling 3rd Revised A.C.C. Sheet No. 89
2nd Revised A.C.C. Sheet No. 89

HELD FOR FUTURE USE

Issued On April 21, 2017
Docket No. G-01551A-16-0107

Issued by
Justin Lee Brown
Vice President

Effective April 1, 2017
Decision No. 76069