

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision (PGA) shall apply to all schedules of this Arizona Propane Tariff.

CHANGE IN RATES

Sales rate schedules covered by this provision include a base cost of gas (BCOG) of \$.5500 per therm. In accordance with Decision No. 61225, a monthly adjustment to the BCOG will be made through a change in the PGA rate that is based upon the rolling 12-month average of actual purchased gas costs and sales. In accordance with Decision No. 62994, the PGA rate calculated for the month cannot be more than \$.1600 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 average purchased gas cost included in the sum of the Base Tariff Rate Gas Cost and the Monthly Gas Cost Adjustment as set forth on Sheet No. 5 of this Arizona Propane Tariff by the therms billed during the month under the applicable schedules of this Arizona Propane Tariff.
2. A debit or credit entry equal to the therms billed during the month under the applicable schedules of this Arizona Propane Tariff, multiplied by the Gas Cost Balancing Account Adjustment, if any, reflected in the rates charged during the month.
3. A debit or credit entry for refunds or payments authorized by the Commission.
4. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the non-financial three-month commercial paper rate for each month contained in the Federal Reserve Statistical Release G-13, or its successor publication.

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(Continued)

MONTHLY INFORMATION FILINGS

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by Decision No. 61225. Additionally, the Utility shall file revised tariff sheets that include the most current month's surcharge amount.

ADDITIONAL REQUIREMENTS

A special PGA review is required if the PGA bank balance reaches an over- or under-collection in the amount of \$60,000. The Utility must file for an application for an adjustment within forty-five (45) days of completing the Monthly Informational Filing that illustrates the threshold has been exceeded or contact the Commission to discuss why a PGA rate adjustment is not necessary at this time.