

March 2, 2018

TO ALL HOLDERS OF SOUTHWEST GAS CORPORATION ARIZONA GAS TARIFF NO. 7

Subject: Revision No. 317

This revision reflects the changes to the Arizona monthly gas cost rates, the Department of Transportation (DOT) Surcharge, and the Gas Cost Balancing Account (GCBA) Surcharge, all effective on March 2, 2018.

The monthly gas cost rate calculation utilizes the 12-month average gas cost for the period ended January 2018. In addition, the Commission provided Southwest Gas authorization to adjust its Gas Cost Balancing Account (GCBA) Surcharge in its monthly gas cost rate adjustment. The Arizona DOT surcharge is applicable to the Transmission Integrity Management Program mandated by the Federal Pipeline Safety Improvement Act of 2002. Pursuant to A.C.C. Sheet No. 14, the DOT Safety Program Surcharge is updated annually effective the first billing cycle in March.

The following changes should be made in your copy of Southwest Gas' Arizona Gas Tariff No. 7:

| Insert A.C.C. Sheet No. | Supersedes A.C.C. Sheet No. | | | | | | | |
|----------------------------|-----------------------------|--|--|--|--|--|--|--|
| | | | | | | | | |
| 258th Revised Sheet No. 11 | 257th Revised Sheet No. 11 | | | | | | | |
| 260th Revised Sheet No. 12 | 259th Revised Sheet No. 12 | | | | | | | |
| 90th Revised Sheet No. 13 | 89th Revised Sheet No. 13 | | | | | | | |
| 61st Revised Sheet No. 14 | 60th Revised Sheet No. 14 | | | | | | | |

Matthew Derr Regulatory Manager/Arizona SOUTHWEST GAS CORPORATION P.O. Box 98510 Las Vegas, Nevada 89193-8510 Arizona Gas Tariff No. 7 Arizona Division

258th Revised A.C.C. Sheet No. 11 257th Revised A.C.C. Sheet No. 11

STATEMENT OF RATES <u>EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES</u> $^{1/2/2}$

Canceling _

| Description | | Delivery Charge | Ad | <u>3/</u> Rate justment | | Monthly as Cost | | Currently Effective Fariff Rate | _ |
|--|----|--------------------|----|-------------------------------|----|--------------------|----|---------------------------------------|-----|
| G-5 – Single-Family Residential | | | | | | | | | |
| Gas Service Basic Service Charge per Month | \$ | 10.70 | | | | | \$ | 10.70 | |
| Commodity Charge per Therm: | φ | 10.70 | | | | | φ | 10.70 | |
| All Usage | \$ | .72575 | \$ | .03503 | \$ | .42541 | \$ | 1.18619 | F |
| 7 til Osage | Ψ | .72070 | Ψ | .00000 | Ψ | .42041 | Ψ | 1.10010 | - 1 |
| G-6 – Multi-Family Residential | | | | | | | | | |
| Gas Service | ¢ | 9.70 | | | | | ¢ | 9.70 | |
| Basic Service Charge per Month | \$ | 9.70 | | | | | \$ | 9.70 | |
| Commodity Charge per Therm: | ¢. | 75244 | æ | 02502 | • | 10511 | Φ. | 1 01055 | - |
| All Usage | \$ | .75311 | \$ | .03503 | \$ | .42541 | \$ | 1.21355 | F |
| G-10- Single-Family Low Income | | | | | | | | | |
| Residential Gas Service | | | | | | | | | |
| Basic Service Charge per Month | \$ | 7.50 | | | | | \$ | 7.50 | |
| Commodity Charge per Therm: | | | | | | | | | |
| Summer (May-October): | | | | | | | | | |
| All Usage | \$ | .72575 | \$ | .01972 | \$ | .42541 | \$ | 1.17088 | F |
| Winter (November–April): | | | | | | | | | |
| First 150 Therms | | .37509 | \$ | .01972 | \$ | .42541 | | .82022 | F |
| Over 150 Therms | \$ | .72575 | \$ | .01972 | \$ | .42541 | \$ | 1.17088 | F |
| G-11- Multi-Family Low Income | | | | | | | | | |
| Residential Gas Service Basic Service Charge per Month | ¢. | 7.50 | | | | | \$ | 7.50 | |
| Commodity Charge per Therm: | \$ | 7.50 | | | | | Ф | 7.50 | |
| Summer (May–October): | | | | | | | | | |
| All Usage | \$ | .75311 | \$ | .01972 | \$ | .42541 | \$ | 1.19824 | F |
| Winter (November–April): | Ψ | .73311 | Ψ | .01972 | Ψ | .42541 | Ψ | 1.13024 | |
| First 150 Therms | | .39424 | \$ | .01972 | \$ | .42541 | | .83937 | F |
| Over 150 Therms | \$ | .75311 | \$ | .01972 | \$ | .42541 | \$ | 1.19824 | F |
| Over 100 memis | Ψ | .70011 | Ψ | .01072 | Ψ | .42041 | Ψ | 1.10024 | |
| G-15– Special Residential Gas Service for Air Conditioning | | | | | | | | | |
| Basic Service Charge per Month | \$ | 10.70 | | | | | \$ | 10.70 | |
| Commodity Charge per Therm: | ¥ | 10.70 | | | | | Ψ | 10.70 | |
| Summer (May–October): | | | | | | | | | |
| First 15 Therms | \$ | .60445 | \$ | .02304 | \$ | .42541 | \$ | 1.05290 | F |
| Over 15 Therms | ¥ | .13935 | \$ | .02304 | \$ | .42541 | Ψ | .58780 | F. |
| Winter (November–April): | | | Ψ | .0200. | * | | | .00.00 | ľ |
| All Usage | \$ | .60445 | \$ | .02304 | \$ | .42541 | \$ | 1.05290 | F |
| G-20 – Master-Metered Mobile | | | | | | | | | |
| Home Park Gas Service | • | 66.00 | | | | | Φ. | 66.00 | |
| Basic Service Charge per Month | \$ | 66.00 | | | | | \$ | 66.00 | |
| Commodity Charge per Therm: All Usage | \$ | .48181 | \$ | .03290 | \$ | .42541 | \$ | 0.94012 | F |
| , 30ago | Ψ | 0101 | Ψ | .00200 | Ψ | | Ψ | 3.0 10 12 | l' |

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Arizona Gas Tariff No. 7
Arizona Division

Canceling _

260th Revised A.C.C. Sheet No. _____ 259th Revised A.C.C. Sheet No. ____

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STATEMENT OF RATES <u>EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES</u> (Continued)

| | (Con | tinued) | | | | | |
|--|------------------------|--------------|--------------------------------|----|--------------------|---------------------------------------|----|
| Description | Delivery Charge | | <u>3</u> / Rate justment | | Monthly as Cost | Currently Effective Tariff Rate | _ |
| G-25- General Gas Service | | | | | | | |
| Basic Service Charge per Month: | | | | | | | |
| Small | \$ 27.50 | | | | | \$ 27.50 | |
| Medium | 43.50 | | | | | 43.50 | |
| Large-1 | 80.00 | | | | | 80.00 | |
| Large-2 | 470.00 | | | | | 470.00 | |
| Transportation Eligible Commodity Charge per Therm: | 950.00 | | | | | 950.00 | |
| Small, All Usage | \$.79569 | \$ | .02517 | \$ | .42541 | \$ 1.24627 | R |
| Medium, All Usage | .40723 | Ψ | .02517 | Ψ | .42541 | .85781 | R |
| Large-1, All Usage | .38374 | | .02517 | | .42541 | .83432 | R |
| Large-2, All Usage | .28386 | | .02517 | | .42541 | .73444 | R |
| Transportation Eligible | .11421 | | .02304 | | .42541 | .56266 | R |
| Demand Charge per Month– | .11721 | | .02001 | | . 120 11 | .00200 | '` |
| Transportation Eligible: | | | | | | | |
| Demand Charge 4/ | \$.083393 | | | | | \$.083393 | |
| G-30- Optional Gas Service | , | | | | | , | |
| Basic Service Charge per Month | As specified on A | CC Sheet | No. 27 | | | | |
| Commodity Charge per Therm: | As specified off A | .O.O. Oneel | NO. 27. | | | | |
| All Usage | As specified on A | C.C. Sheet | No. 28 | | | | |
| | 7 to opcomed on 7 | .0.0. 011001 | 110. 20. | | | | |
| G-40 – Air Conditioning Gas Service Basic Service Charge per Month | As appointed an A | C C Shoot | No. 22 | | | | |
| Commodity Charge per Therm: | As specified on A | .C.C. Sileet | NO. 32. | | | | |
| All Usage | \$.13935 | \$ | .02304 | \$ | .42541 | \$.58780 | IR |
| ŭ | ψ .10900 | Ψ | .02504 | Ψ | .42041 | ψ .50700 | '` |
| G-45 – Street Lighting Gas Service | | | | | | | |
| Commodity Charge per Therm | | | | | | | |
| of Rated Capacity: All Usage | \$.73507 | \$ | .02304 | \$ | .42541 | \$ 1.18352 | R |
| G | φ ./350/ | φ | .02304 | φ | .42341 | φ 1.10332 | |
| G-50 – Compression Gas Service | | | | | | | |
| Basic Service Charge per Month | As specified on A | .C.C. Sheet | No. 36. | | | | |
| Commodity Charge per Therm: | A : C 1 A | 0.0.01 | N - 00 | | | | |
| All Usage | As specified on A | .C.C. Sneet | No. 36. | | | | |
| G-55– Gas Service for Compression 5/ | | | | | | | |
| on Customer's Premises | | | | | | | |
| Basic Service Charge per Month: | | | | | | | |
| Small | \$ 27.50 | | | | | \$ 27.50 | |
| Large | 250.00 | | | | | 250.00 | |
| Residential | 10.70 | | | | | 10.70 | |
| Commodity Charge per Therm: | | _ | | _ | | | |
| All Usage | \$.21935 | \$ | .02304 | \$ | .42541 | \$.66780 | R |
| G-60- Electric Generation Gas Service | | | | | | | |
| Basic Service Charge per Month | As specified on A | .C.C. Sheet | No. 40. | | | | |
| Commodity Charge per Therm: | | | | | | | |
| All Usage | \$.15923 | \$ | .02304 | \$ | .42541 | \$.60768 | R |
| | | | | | | | |
| G-75– Small Essential Agricultural User Gas Service | | | | | | | |
| User Gas Service Basic Service Charge per Month | \$ 120.00 | | | | | \$ 120.00 | |
| User Gas Service | \$ 120.00 \$.28755 | \$ | .02304 | \$ | .42541 | \$ 120.00 \$.73600 | R |

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Arizona Division

| 90th Revised | A.C.C. Sheet No. | 13 |
|--------------|------------------|----|
| 89th Revised | A.C.C. Sheet No. | 13 |

STATEMENT OF RATES EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES 1/2/ (Continued)

| Description | | elivery narge | <u>3</u> / Rate Adjustment | Monthly as Cost | - 1 | Currently Effective ariff Rate |
|---------------------------------|------|------------------|----------------------------------|--------------------|------|--------------------------------------|
| G-80 – Natural Gas Engine 6/ | | | | | | |
| Water Pumping | | | | | | |
| Gas Service | | | | | | |
| Basic Service Charge per Month: | | | | | | |
| Off-Peak Season (October–March) | \$ | .00 | | | \$ | .00 |
| Peak Season (April–September) | \$ 1 | 25.00 | | | \$ ' | 125.00 |
| Commodity Charge per Therm: | | | | | | |
| All Usage | \$ | .22430 | \$.01304 | \$.28833 | \$ | .52567 |

Canceling

- 1/ All charges are subject to adjustment for any applicable taxes or governmental impositions.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Commodity Charge per Therm less the Monthly Gas Cost, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$0.00282 per therm for distribution shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. The shrinkage charge shall be updated annually effective May 1. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months.

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March 2, 2018 Effective Decision No. 70665

| 61st Revised | A.C.C. Sheet No. | 14 |
|--------------|------------------|----|
| 60th Revised | A.C.C. Sheet No. | 14 |

STATEMENT OF RATES <u>EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES</u> (Continued)

<u>3</u>/ The Rate Adjustment applicable to each tariff rate schedule includes the following components.

Canceling

| Description | G | -5, G-6 | <u>G-</u> | 10, G-11 | G-15 | <u>G-20</u> | | G-20 | | G-20 | | Adjustment Date | |
|---|---------|--|-----------|---|---|-------------|---|---|---|------|--|-----------------|--|
| Low Income Ratepayer Assistance Demand Side Management VSP Replacement Program Department of Transportation Gas Cost Balancing Account COYL Cost Recovery DCA Total Rate Adjustment | \$ - | 0.00986 0.00745 0.00000 0.00275 0.01000 0.00284 0.00213 0.03503 | \$ | n/a 0.00200 0.00000 0.00275 0.01000 0.00284 0.00213 | \$ n/a 0.00745 0.00000 0.00275 0.01000 0.00284 <u>n/a</u> 0.02304 | \$ | 0.00986 0.00745 0.00000 0.00275 0.01000 0.00284 <u>n/a</u> 0.03290 | 1st Billing Cycle in May Per Commission Order Per Commission Order 1st Billing Cycle in March Per Commission Notification Per Commission Order Per Commission Order | R | | | | |

| Description | G | G-25TE, G-25S, G-25M, G-40, G-45, G-25-L1, G-55, G-60, G-25-L2 G-75 | | | , — | G-30, SB-1, Special G-80 Contracts | | | Adjustment Date |
|---------------------------------|----|--|----|---------|-----|------------------------------------|----|---------|-----------------------------|
| Low Income Ratepayer Assistance | | n/a | | n/a | | n/a | | n/a | 1st Billing Cycle in May |
| Demand Side Management | \$ | 0.00745 | \$ | 0.00745 | \$ | 0.00745 | | n/a | Per Commission Order |
| VSP Replacement Program | | 0.00000 | | 0.00000 | | 0.00000 | | n/a | Per Commission Order |
| Department of Transportation | | 0.00275 | | 0.00275 | | 0.00275 | \$ | 0.00275 | 1st Billing Cycle in March |
| Gas Cost Balancing Account | | 0.01000 | | 0.01000 | | n/a | | n/a | Per Commission Notification |
| COYL Cost Recovery | | 0.00284 | | 0.00284 | | 0.00284 | | n/a | Per Commission Order |
| DCA | _ | 0.00213 | | n/a | _ | n/a | | n/a | Per Commission Order |
| Total Rate Adjustment | \$ | \$0.02517 | \$ | 0.02304 | \$ | \$0.01304 | \$ | 0.00275 | |

- 4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.
- <u>5</u>/ The charges for Schedule No. G-55 are subject to adjustment for applicable state and federal taxes on fuel used in motor vehicles.
- 6/ The gas cost for this rate schedule shall be updated seasonally, April 1 and October 1 of each year.

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