



SOUTHWEST GAS CORPORATION

August 31, 2018

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

Subject: Revision No. 326

This revision reflects the following rate changes effective September 1, 2018:

- 1) Customer-Owned Yard Line (COYL) Cost Recovery Mechanism (CCRM) Surcharge; and,
- 2) The Vintage Steel Pipeline (VSP) surcharge. The VSP replacement program was approved in the company's last general rate case. This program allows Southwest Gas to replace pre-1970's VSP on a proactive and accelerated basis in Southwest's Arizona jurisdiction.

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

Insert A.C.C. Sheet No.

267th Revised Sheet No. 11
268th Revised Sheet No. 12
101st Revised Sheet No. 13
68th Revised Sheet No. 14

Supersedes A.C.C. Sheet No.

266th Revised Sheet No. 11
267th Revised Sheet No. 12
100th Revised Sheet No. 13
67th Revised Sheet No. 14

Matthew Derr
Regulatory Manager/Arizona

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}

Description	Delivery Charge	3/ Rate Adjustment	Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-5 – Single-Family Residential Gas Service</u>				
Basic Service Charge per Month	\$ 10.70			\$ 10.70
Commodity Charge per Therm:				
All Usage	\$.72575	(\$.00441)	\$.39628	\$ 1.11762
<u>G-6 – Multi-Family Residential Gas Service</u>				
Basic Service Charge per Month	\$ 9.70			\$ 9.70
Commodity Charge per Therm:				
All Usage	\$.75311	(\$.00441)	\$.39628	\$ 1.14498
<u>G-10– Single-Family Low Income Residential Gas Service</u>				
Basic Service Charge per Month	\$ 7.50			\$ 7.50
Commodity Charge per Therm:				
Summer (May–October):				
All Usage	\$.72575	(\$.02530)	\$.39628	\$ 1.09673
Winter (November–April):				
First 150 Therms	.39733	(\$.02530)	\$.39628	.76831
Over 150 Therms	\$.72575	(\$.02530)	\$.39628	\$ 1.09673
<u>G-11– Multi-Family Low Income Residential Gas Service</u>				
Basic Service Charge per Month	\$ 7.50			\$ 7.50
Commodity Charge per Therm:				
Summer (May–October):				
All Usage	\$.75311	(\$.02530)	\$.39628	\$ 1.12409
Winter (November–April):				
First 150 Therms	.41648	(\$.02530)	\$.39628	.78746
Over 150 Therms	\$.75311	(\$.02530)	\$.39628	\$ 1.12409
<u>G-15– Special Residential Gas Service for Air Conditioning</u>				
Basic Service Charge per Month	\$ 10.70			\$ 10.70
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$.60445	(\$.02198)	\$.39628	\$.97875
Over 15 Therms	.13935	(\$.02198)	\$.39628	.51365
Winter (November–April):				
All Usage	\$.60445	(\$.02198)	\$.39628	\$.97875
<u>G-20– Master-Metered Mobile Home Park Gas Service</u>				
Basic Service Charge per Month	\$ 66.00			\$ 66.00
Commodity Charge per Therm:				
All Usage	\$.48181	(\$.00654)	\$.39628	\$.87155

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

Description	Delivery Charge	^{3/} Rate Adjustment	Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-25- General Gas Service</u>				
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	950.00			950.00
Commodity Charge per Therm:				
Small, All Usage	\$.79569	(\$.01985)	\$.39628	\$ 1.17212
Medium, All Usage	.40723	(.01985)	.39628	.78366
Large-1, All Usage	.38374	(.01985)	.39628	.76017
Large-2, All Usage	.28386	(.01985)	.39628	.66029
Transportation Eligible	.11421	(.02198)	.39628	.48851
Demand Charge per Month-				
Transportation Eligible:				
Demand Charge ^{4/}	\$.083393			\$.083393
<u>G-30- Optional Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 27.			
Commodity Charge per Therm:	As specified on A.C.C. Sheet No. 28.			
All Usage	As specified on A.C.C. Sheet No. 28.			
<u>G-40- Air Conditioning Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 32.			
Commodity Charge per Therm:	As specified on A.C.C. Sheet No. 32.			
All Usage	\$.13935	(\$.02198)	\$.39628	\$.51365
<u>G-45- Street Lighting Gas Service</u>				
Commodity Charge per Therm of Rated Capacity:	As specified on A.C.C. Sheet No. 32.			
All Usage	\$.73507	(\$.02198)	\$.39628	\$ 1.10937
<u>G-50- Compression Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 36.			
Commodity Charge per Therm:	As specified on A.C.C. Sheet No. 36.			
All Usage	As specified on A.C.C. Sheet No. 36.			
<u>G-55- Gas Service for Compression ^{5/} on Customer's Premises</u>				
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	(\$.02198)	\$.39628	\$.59365
<u>G-60- Electric Generation Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 40.			
Commodity Charge per Therm:	As specified on A.C.C. Sheet No. 40.			
All Usage	\$.15923	(\$.02198)	\$.39628	\$.53353
<u>G-65- Biogas and Renewable Natural Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 41A.			
Commodity Charge per Therm:	As specified on A.C.C. Sheet No. 41A.			
All Usage	As specified on A.C.C. Sheet No. 41A.			

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

Description	Delivery Charge	^{3/} Rate Adjustment	Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-75– Small Essential Agricultural User Gas Service</u>				
Basic Service Charge per Month	\$ 120.00			\$ 120.00
Commodity Charge per Therm:				
All Usage	\$.28755	(\$.02198)	\$.39628	\$.66185
<u>G-80 – Natural Gas Engine ^{6/} Water Pumping Gas Service</u>				
Basic Service Charge per Month:				
Off-Peak Season (October–March)	\$.00			\$.00
Peak Season (April–September)	\$ 125.00			\$ 125.00
Commodity Charge per Therm:				
All Usage	\$.22430	(\$.01198)	\$.19201	\$.40433

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 \$0.00283 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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EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

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

<u>Description</u>	<u>G-5, G-6</u>	<u>G-10, G-11</u>	<u>G-15</u>	<u>G-20</u>	<u>Adjustment Date</u>
Low Income Ratepayer Assistance	\$ 0.01544	n/a	n/a	\$ 0.01544	1st Billing Cycle in May
Demand Side Management	0.00745	\$ 0.00200	\$ 0.00745	0.00745	Per Commission Order
VSP Replacement Program	0.00386	0.00386	0.00386	0.00386	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)	(0.01000)	(0.01000)	Per Commission Notification
COYL Cost Recovery	0.00566	0.00566	0.00566	0.00566	Per Commission Order
DCA	0.00213	0.00213	n/a	n/a	Per Commission Order
Tax Reform Credit	(0.03170)	(0.03170)	(0.03170)	(0.03170)	Per Commission Order
Total Rate Adjustment	<u>\$ (0.00441)</u>	<u>\$ (0.02530)</u>	<u>\$ (0.02198)</u>	<u>\$ (0.00654)</u>	

<u>Description</u>	<u>G-25S, G-25M, G-25-L1, G-25-L2</u>	<u>G-25TE, G-40, G-45, G-55, G-60, G-75</u>	<u>G-80</u>	<u>G-30, SB-1, Special Contracts</u>	<u>Adjustment Date</u>
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	0.00386	0.00386	0.00386	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	0.00566	0.00566	0.00566	n/a	Per Commission Order
DCA	0.00213	n/a	n/a	n/a	Per Commission Order
Tax Reform Credit	(0.03170)	(0.03170)	(0.03170)	n/a	Per Commission Order
Total Rate Adjustment	<u>\$ (0.01985)</u>	<u>\$ (0.02198)</u>	<u>\$ (0.01198)</u>	<u>\$ 0.00275</u>	

4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.

5/ 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.