



SOUTHWEST GAS CORPORATION

January 2, 2019

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

Subject: Revision No. 331

This revision reflects the following rate changes effective January 2, 2019:

- 1) The Arizona monthly gas cost rates which utilizes the 12-month average gas cost for the period ended November 2018; and,
- 2) The Gas Cost Balancing Account (GCBA) Surcharge. The Commission provided Southwest Gas authorization to adjust its GCBA Surcharge in its monthly gas cost rate adjustment.

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

| <u>Insert A.C.C. Sheet No.</u> | <u>Supersedes A.C.C. Sheet No.</u> |
|--------------------------------|------------------------------------|
| 271st Revised Sheet No. 11 | 270th Revised Sheet No. 11 |
| 272nd Revised Sheet No. 12 | 271st Revised Sheet No. 12 |
| 106th Revised Sheet No. 13 | 105th Revised Sheet No. 13 |
| 72nd Revised Sheet No. 14 | 71st Revised Sheet No. 14 |

Matthew Derr
Director – Regulation and Energy Efficiency

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 | (\$.04441) | \$.36371 | \$ 1.04505 | R |
| <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 | (\$.04441) | \$.36371 | \$ 1.07241 | R |
| <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 | (\$.06530) | \$.36371 | \$ 1.02416 | R |
| Winter (November–April): | | | | | |
| First 150 Therms | .41910 | (\$.06530) | \$.36371 | .71751 | R |
| Over 150 Therms | \$.72575 | (\$.06530) | \$.36371 | \$ 1.02416 | R |
| <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 | (\$.06530) | \$.36371 | \$ 1.05152 | R |
| Winter (November–April): | | | | | |
| First 150 Therms | .43825 | (\$.06530) | \$.36371 | .73666 | R |
| Over 150 Therms | \$.75311 | (\$.06530) | \$.36371 | \$ 1.05152 | R |
| <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 | (\$.06198) | \$.36371 | \$.90618 | R |
| Over 15 Therms | .13935 | (\$.06198) | \$.36371 | .44108 | R |
| Winter (November–April): | | | | | |
| All Usage | \$.60445 | (\$.06198) | \$.36371 | \$.90618 | R |
| <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 | (\$.04654) | \$.36371 | \$.79898 | R |

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 | (\$.05985) | \$.36371 | \$ 1.09955 | R |
| Medium, All Usage | .40723 | (.05985) | .36371 | .71109 | R |
| Large-1, All Usage | .38374 | (.05985) | .36371 | .68760 | R |
| Large-2, All Usage | .28386 | (.05985) | .36371 | .58772 | R |
| Transportation Eligible | .11421 | (.06198) | .36371 | .41594 | R |
| 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 | | | | | |
| <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 | | | | | |
| <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 | | | | | |
| <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 | | | | | |
| <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 | (\$.06198) | \$.36371 | \$.52108 | R |
| <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 | | | | | |
| All Usage | \$.15923 | (\$.06198) | \$.36371 | \$.46096 | R |
| <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 | | | | | |

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 | (\$.06198) | \$.36371 | \$.58928 |
| <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) | \$.18273 | \$.39505 |

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.

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

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

| Description | G-5, G-6 | G-10, G-11 | G-15 | G-20 | Adjustment Date |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| 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 | (0.05000) | (0.05000) | (0.05000) | (0.05000) | 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>\$ (0.04441)</u> | <u>\$ (0.06530)</u> | <u>\$ (0.06198)</u> | <u>\$ (0.04654)</u> | |

| Description | G-25S, G-25M, G-25-L1, G-25-L2 | G-25TE, G-40, G-45, G-55, G-60, G-75 | G-80 | G-30, SB-1, Special 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 | 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 | (0.05000) | (0.05000) | 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>\$ (\$0.05985)</u> | <u>\$ (0.06198)</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.