May 1, 2019

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

Subject: Revision No. 336

This revision reflects the following rate changes effective May 1, 2019:

- 1) The Arizona monthly gas cost rates which utilizes the 12-month average gas cost for the period ended March 2019;
- 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;
- 3) The yearly update of the distribution shrinkage charge;
- 4) The authorization granted to Southwest Gas in Docket No G-01551A-16-0107, which approves Southwest Gas' Application to set the Delivery Charge Adjustment (DCA) Rate to \$0.14902:
- 5) The El Paso Natural Gas Credit will be applied to applicable rate schedules from an overpayment of services.

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. |                      |  |  |  |  |  |  |
|----------------------------|-----------------------------|----------------------|--|--|--|--|--|--|
| 277th Revised Sheet No. 11 | 276th                       | Revised Sheet No. 11 |  |  |  |  |  |  |
| 278th Revised Sheet No. 12 | 277th                       | Revised Sheet No. 12 |  |  |  |  |  |  |
| 114th Revised Sheet No. 13 | 113th                       | Revised Sheet No. 13 |  |  |  |  |  |  |
| 78th Revised Sheet No. 14  | 77th                        | Revised Sheet No. 14 |  |  |  |  |  |  |

Matthew Derr Director – Regulation and Energy Efficiency

 277th Revised
 A.C.C. Sheet No.
 11

 276th 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<br>Charge |        |     |         | Monthly<br>Gas Cost |    | Currently<br>Effective<br>Fariff Rate | _     |
|--|--------------------|--------|-----|---------|---------------------|----|---------------------------------------|-------|
| G-5 – Single-Family Residential Gas Service                                      |                    |        |     |         |                     |    |                                       |       |
| Basic Service Charge per Month Commodity Charge per Therm:                       | \$                 | 10.70  |     |         |                     | \$ | 10.70                                 |       |
| All Usage  | \$                 | .72575 | \$  | .00497  | \$<br>.30023        | \$ | 1.03095                               | - 1   |
| G-6 – Multi-Family Residential Gas Service                                       |                    |        |     |         |                     |    |                                       |       |
| Basic Service Charge per Month Commodity Charge per Therm:                       | \$                 | 9.70   |     |         |                     | \$ | 9.70                                  |       |
| All Usage  | \$                 | .75311 | \$  | .00497  | \$<br>.30023        | \$ | 1.05831                               | ı     |
| G-10– Single-Family Low Income Residential Gas Service                           |                    |        |     |         |                     |    |                                       |       |
| Basic Service Charge per Month Commodity Charge per Therm:                       | \$                 | 7.50   |     |         |                     | \$ | 7.50                                  |       |
| Summer (May–October):  |                    |        |     |         |                     |    |                                       |       |
| All Usage  | \$                 | .72575 | (\$ | .01592) | \$<br>.30023        | \$ | 1.01006                               | 1     |
| Winter (November–April):   |                    |        |     |         |                     |    |                                       |       |
| First 150 Therms   |                    | .42333 | (\$ | .01592) | \$<br>.30023        |    | .70764                                |       |
| Over 150 Therms  | \$                 | .72575 | (\$ | .01592) | \$<br>.30023        | \$ | 1.01006                               | 1     |
| G-11– Multi-Family Low Income<br>Residential Gas Service                         |                    |        |     |         |                     |    |                                       |       |
| Basic Service Charge per Month Commodity Charge per Therm: Summer (May–October): | \$                 | 7.50   |     |         |                     | \$ | 7.50                                  |       |
| All Usage Winter (November–April):   | \$                 | .75311 | (\$ | .01592) | \$<br>.30023        | \$ | 1.03742                               | ı     |
| First 150 Therms   |                    | .44249 | (\$ | .01592) | \$<br>.30023        |    | .72680                                | - 1 - |
| Over 150 Therms  | \$                 | .75311 | (\$ | .01592) | \$<br>.30023        | \$ | 1.03742                               | i     |
| G-15– Special Residential Gas Service for Air Conditioning                       |                    |        |     |         |                     |    |                                       |       |
| Basic Service Charge per Month Commodity Charge per Therm: Summer (May–October): | \$                 | 10.70  |     |         |                     | \$ | 10.70                                 |       |
| First 15 Therms  | \$                 | .60445 | (\$ | .15949) | \$<br>.30023        | \$ | .74519                                | F     |
| Over 15 Therms   | •                  | .13935 | (\$ | .15949) | \$<br>.30023        | ·  | .28009                                | F     |
| Winter (November–April):   |                    |        | ,   | ,       |                     |    |                                       |       |
| All Usage  | \$                 | .60445 | (\$ | .15949) | \$<br>.30023        | \$ | .74519                                | F     |
| G-20– Master-Metered Mobile  Home Park Gas Service                               |                    |        |     |         |                     |    |                                       |       |
| Basic Service Charge per Month Commodity Charge per Therm:                       | \$                 | 66.00  |     |         |                     | \$ | 66.00                                 |       |
| All Usage  | \$                 | .48181 | (\$ | .14405) | \$<br>.30023        | \$ | .63799                                | F     |

| Issued On  | April 26, 2019   |
|------------|------------------|
| Docket No. | G-01551A-16-0107 |

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Justin Lee Brown
Senior Vice President

Effective May 1, 2019
Decision No. Pending

Arizona Gas Tariff No. 7
Arizona Division

Canceling \_

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

|   | (Cont  | inued)   |   |  |   |
|---|--|--|---|--|---|
| Description   | Delivery<br>Charge                             | <u>3</u> /<br>Rate<br>Adjustment                   | Monthly<br>Gas Cost                     | Currently<br>Effective<br>Tariff Rate          | _ |
| G-25- General Gas Service   |  |  |   |  |   |
| Basic Service Charge per Month: Small Medium Large-1 Large-2 Transportation Eligible              | \$ 27.50<br>43.50<br>80.00<br>470.00<br>950.00 |  |   | \$ 27.50<br>43.50<br>80.00<br>470.00<br>950.00 |   |
| Commodity Charge per Therm:   |  |  |   |  |   |
| Small, All Usage<br>Medium, All Usage<br>Large-1, All Usage<br>Large-2, All Usage                 | \$ .79569<br>.40723<br>.38374<br>.28386        | (\$ .01047)<br>( .01047)<br>( .01047)<br>( .01047) | \$ .30023<br>.30023<br>.30023<br>.30023 | \$ 1.08545<br>.69699<br>.67350<br>.57362       |   |
| Transportation Eligible Demand Charge per Month– Transportation Eligible:                         | .11421   | ( .15949)  | .30023                                  | .25495   | R |
| Demand Charge <u>4</u> /  | \$ .083393                                     |  |   | \$ .083393                                     |   |
| G-30 Optional Gas Service Basic Service Charge per Month Commodity Charge per Therm:              | As specified on A.                             | C.C. Sheet No. 27.                                 |   |  |   |
| All Usage   | As specified on A.                             | C.C. Sheet No. 28.                                 |   |  |   |
| G-40 – Air Conditioning Gas Service Basic Service Charge per Month Commodity Charge per Therm:    | As specified on A.                             | C.C. Sheet No. 32.                                 |   |  |   |
| All Usage   | \$ .13935                                      | (\$ .15949)  | \$ .30023                               | \$ .28009                                      | R |
| G-45- Street Lighting Gas Service Commodity Charge per Therm of Rated Capacity: All Usage         | \$ .73507                                      | (\$ .15949)  | \$ .30023                               | \$ 0.87581                                     | R |
| G-50 – Compression Gas Service  Basic Service Charge per Month  Commodity Charge per Therm:       | As specified on A.                             | C.C. Sheet No. 36.                                 |   |  |   |
| All Usage   | As specified on A.                             | C.C. Sheet No. 36.                                 |   |  |   |
| G-55– Gas Service for Compression 5/<br>on Customer's Premises<br>Basic Service Charge per Month: |  |  |   |  |   |
| Small Large Residential Commodity Charge per Therm:   | \$ 27.50<br>250.00<br>10.70                    |  |   | \$ 27.50<br>250.00<br>10.70                    |   |
| All Usage   | \$ .21935                                      | (\$ .15949)  | \$ .30023                               | \$ .36009                                      | R |
| G-60 – Electric Generation Gas Service Basic Service Charge per Month Commodity Charge per Therm: | As specified on A.                             |  |   |  |   |
| All Usage   | \$ .15923                                      | (\$ .15949)  | \$ .30023                               | \$ .29997                                      | R |
| G-65-Biogas and Renewable Natural  Gas Service  |  | 000  |   |  |   |
| Basic Service Charge per Month Commodity Charge per Therm:  |  | C.C. Sheet No. 41A                                 |   |  |   |
| All Usage   | As specified on A.                             | C.C. Sheet No. 41A.                                |   |  |   |

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114th Revised A.C.C. Sheet No. 13 113th Revised A.C.C. Sheet No. 13

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

Canceling

| Description  | Delivery<br>Charge  | <u>3</u> /<br>Rate<br>Adjustment | Monthly<br>Sas Cost | <br>Currently<br>Effective<br>Tariff Rate |
|--|---------------------|----------------------------------|---------------------|---|
| G-75– Small Essential Agricultural User Gas Service  |                     |                                  |                     |   |
| Basic Service Charge per Month Commodity Charge per Therm:   | \$ 120.00           |                                  |                     | \$<br>120.00                              |
| All Usage  | \$ .28755           | (\$ .15949)                      | \$<br>.30023        | \$<br>.42829                              |
| G-80 – Natural Gas Engine 6/ Water Pumping Gas Service Basic Service Charge per Month: Off-Peak Season (October–March) Peak Season (April–September) Commodity Charge per Therm: | \$ .00<br>\$ 125.00 |                                  |                     | \$<br>.00<br>125.00                       |
| All Usage  | \$ .224             | (\$ .01321)                      | \$<br>.13789        | \$<br>.34898                              |

- 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 \$0.00212 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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Senior Vice President

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| 78th Revised | A.C.C. Sheet No. | 14 |
|--------------|------------------|----|
| 77th Revised | A.C.C. Sheet No. | 14 |

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

Canceling

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

| Description  | G-5, G-6   | G-10, G-11   | <u>G-15</u>  | 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 El Paso Credit Tax Reform Credit Total Rate Adjustment | \$ 0.01544<br>0.00745<br>0.00386<br>0.00152<br>(0.04209)<br>0.00566<br>0.14902<br>(0.10419)<br>(0.03170)<br>\$ 0.00497 | n/a<br>\$ 0.00200<br>0.00386<br>0.00152<br>(0.04209)<br>0.00566<br>0.14902<br>(0.10419)<br>(0.03170)<br>\$ (0.01592) | n/a<br>\$ 0.00745<br>0.00386<br>0.00152<br>(0.04209)<br>0.00566<br>n/a<br>(0.10419)<br>(0.03170)<br>\$ (0.15949) | \$ 0.01544<br>0.00745<br>0.00386<br>0.00152<br>(0.04209)<br>0.00566<br>n/a<br>(0.10419)<br>(0.03170)<br>\$ (0.14405) | 1st Billing Cycle in May Per Commission Order Per Commission Order 1st Billing Cycle in March Per Commission Notification Per Commission Order | I F |
|  |  |  |  |  |  | 1   |

| Description                     | G-   | S, G-25M,<br>25-L1,<br>-25-L2 | G. | G-25TE,<br>-40, G-45,<br>-55, G-60,<br>G-75 | . —  | G-80        | 30, SB-1,<br>Special<br>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    |      | 0.00152                       |    | 0.00152                                     |      | 0.00152     | \$<br>0.00152                      | 1st Billing Cycle in March  |
| Gas Cost Balancing Account      |      | (0.04209)                     |    | (0.04209)                                   |      | n/a         | n/a                                | Per Commission Notification |
| COYL Cost Recovery              |      | 0.00566                       |    | 0.00566                                     |      | 0.00566     | n/a                                | Per Commission Order        |
| DCA                             |      | 0.14902                       |    | n/a   |      | n/a         | n/a                                | Per Commission Order        |
| El Paso Credit                  | (    | (0.10419)                     |    | (0.10419)                                   |      | n/a         | n/a                                | Per Commission Order        |
| Tax Reform Credit               |      | (0.03170)                     |    | (0.03170)                                   | _    | (0.03170)   | <br>n/a                            | Per Commission Order        |
| Total Rate Adjustment           | \$ ( | \$0.01047)                    | \$ | (0.15949)                                   | \$ ( | (\$0.01321) | \$<br>0.00152                      |                             |

- 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.

|            |                  | issued by             |              |             |  |
|------------|------------------|-----------------------|--------------|-------------|--|
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