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SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

November 10, 2005

Arizona Corporation Commission
Compliance Section, Utilities Division
1200 West Washington Street
Phoenix, AZ 85007-2996

Subject: Advice Letter No. 05-11-02

RE: Docket Nos. G-01551A-02-0425 and G-01970A-02-0425;
Decision No. 68249

Southwest Gas Corporation (Southwest) herewith submits for filing an original and fourteen (14) copies of the following tariff sheets applicable to its Arizona Propane Tariff No. 1.

Original A.C.C. Sheet Nos. 1-30.

The Arizona Propane Tariff No. 1 replaces in its entirety the Page Division tariff of Black Mountain Gas Company. The new tariff book maintains the existing rates and adds new services as required by the Arizona Corporation Commission's (Commission) Decision No. 66101.

The tendered tariff sheets are filed in compliance with the Commission's October 18, 2005 Order (Decision No. 68249) and reflect the following changes to Southwest's original June 3, 2005 filing:

1. References to A.C.C. Sheet No. 3 on A.C.C. Sheet Nos. 9 and 24 have been changed to reference A.C.C. Sheet No. 5 to accurately reflect the source of rates and changes;
2. Eligibility requirements for the Low Income Ratepayer Assistance (LIRA) Pilot Program are listed in the tariff on A.C.C. Sheet No. 7, and have the same criteria as approved in Southwest's Arizona Gas Tariff No. 7, Schedule No. G-10;
3. A.C.C. Sheet No. 7 has been modified to reflect a sunset date of October 18, 2007 for the Pilot Program unless extended by the Commission or if a permanent program is implemented by the utility as a result of a rate case decision.

In addition, the Statement of Rates, A.C.C. Sheet No. 5, filed herein reflects the Monthly Gas Cost Adjustment effective November 1, 2005 as allowed by Decision No. 62994.

Respectfully Submitted,

SOUTHWEST GAS CORPORATION

By: _____ for/
Roger C. Montgomery

TARIFF SCHEDULES

Applicable to

PROPANE SERVICE

of

SOUTHWEST GAS CORPORATION

Operating in
Page, Arizona

These tariff schedules have been authorized by the Arizona Corporation Commission and are the effective rates and rules of this Utility.

Service will be furnished in accordance with these tariff schedules and no officer, employee or representative of the Utility has any authority to waive, alter or amend these tariff schedules or any parts thereof in any respect.

TABLE OF CONTENTS

The following listed sheets contain all of the effective rules and regulations affecting rates and service and information relating thereto in effect on and after the date indicated thereon:

		A.C.C. Sheet No.
Title Page		1
Table of Contents		2 – 3
Preliminary Statement		4
Statement of Rates -	Effective Sales Rates Applicable to Page, Arizona Schedules	5
Schedule No.	Title of Sheet	
PR-1	Residential Gas Service	6 – 7
PR-2	Commercial Gas Service	8
	SPECIAL SUPPLEMENTARY TARIFF	
	Purchased Gas Cost Adjustment Provision	9 – 10

TABLE OF CONTENTS
(Continued)

RULES

Rule No.	Title of Sheet	A.C.C. Sheet No.
1	Definitions	11 – 13
2	Availability	14
3	Establishment of Service	15
4	Charge for Special Service	16 – 17
5	General Conditions of Gas Service	18
6	Responsibility for Gas Equipment	19
7	Main and Service Lines	20 – 21
8	Policy on Trailer Parks	22
9	Billing	23 – 30

PRELIMINARY STATEMENT

Southwest Gas Corporation is engaged in the business of purchasing and selling gas at retail in Page, Arizona.

These tariff schedules are designed to govern the supplying and taking of gas service in such manner as will secure to each customer the greatest practicable latitude in the enjoyment of service, consistent with good service to the customer and other customers, and with safety to customers and the Utility.

These tariff schedules are on file with the Arizona Corporation Commission of the State of Arizona, are available for review at the Utility's offices and on its Internet Web site (www.swgas.com). They are a part of every contract for service and govern all classes of service, except where specific provisions in contracts or schedules modify same. All prior rules, customs or alleged understandings are hereby rescinded.

When any change is proposed to these tariffs, attention shall be directed to such change on the tariff sheet(s) filed with the Commission by the symbols as set forth below:

(C) To signify changed listing, rule or condition which may affect rates or charges.

(D) To signify discontinued material, including listing, rate, rule, or condition.

(I) To signify increase.

(L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule, or condition.

(N) To signify new material including listing, rate, rule, or condition.

(R) To signify reduction.

(T) To signify change in wording of text with no change in rate, rule, or condition.

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Arizona Propane Tariff No. 1

Original A.C.C. Sheet No. 5
Canceling _____ A.C.C. Sheet No. _____

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO PAGE, ARIZONA SCHEDULES (1)

Description	Base Tariff Margin	Base Tariff Gas Cost	Monthly Gas Cost Adjustment	Rate Adjustment (2)	Effective Rate
PR-1 – Residential Gas Service (3)					
Basic Service Charge	$ 6.00				$ 6.00
Commodity Charge per Therm:					
All Usage	$ .6593	$ .5500	$ .4410	$ .0571	$ 1.7074
PR-2 – Commercial Gas Service					
Basic Service Charge	$ 18.00				$ 18.00
Commodity Charge per Therm:					
All Usage	$ .5593	$ .5500	$ .4410	$ .0571	$ 1.6074

SERVICE CHARGES

Establishment of Service	$ 20.00
Reconnection Charge	
– Regular Business Hours	$ 30.00
– After Business Hours	$ 45.00
Appliance and Miscellaneous Service Call	
– Regular Business Hours (per hour)	$ 30.00
– After Business Hours (per hour)	$ 45.00
Meter Reread Charge – (if correct)	$ 25.00
Meter Test Fee per hour – (if correct)	$ 25.00
NSF Check Fee	$ 15.00
Late Charge per month	1.50%

Notes:

(1) All charges are subject to adjustment for any applicable taxes or governmental impositions.

(2) The Rate Adjustment includes $.0571 per therm to reduce the unrecovered balance in the Gas Cost Balancing Account.

(3) Customers receiving the Low Income Ratepayer Assistance Discount Pilot Program shall receive up to a $12.10 discount on their winter bills, not to exceed their monthly bill.

Issued On October 18, 2005
Docket No. G-01551A-02-0425
G-00000C-98-0568

Issued by
John P. Hester
Vice President

Effective November 1, 2005
Decision No. 68249/62994

SCHEDULE NO. PR-1

RESIDENTIAL GAS SERVICE

AVAILABILITY

Available to all residential customers within the utility's certificated service area where facilities of adequate capacity and pressure are adjacent to the point of delivery.

APPLICABILITY

Applicable to all gas service supplied through one point of delivery and measured through one meter. Not applicable to temporary, standby, supplementary or resale service.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Propane Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Propane Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

SCHEDULE NO. PR-1

RESIDENTIAL GAS SERVICE
(Continued)

LOW INCOME RATEPAYER ASSISTANCE DISCOUNT PILOT PROGRAM

1. Eligibility requirements for Low Income Ratepayer Residential Gas Service Discount are set forth on the Utility's Application and Declaration of Eligibility for Low Income Ratepayer Assistance form. Customers must have an approved application form on file with the Utility. Recertification will be required prior to November 1 every two years and whenever a customer moves to a new residence within the Utility's service area.

2. Eligible customers will receive a discount on their bill from November through April of each year. This discount is set forth in the currently effective Statement of Rates Footnote 3 of Sheet No. 5 of this Arizona Propane Tariff, and is incorporated herein by reference. The discount will commence with the next regularly scheduled billing period after the Utility has received the customer's properly completed application form or recertification.

3. Eligibility information provided by the customer on the application form may be subject to verification by the Utility. Refusal or failure of a customer to provide current documentation of eligibility acceptable to the Utility, upon request of the Utility, shall result in removal from or ineligibility for this discount.

4. Customers who wrongfully declare eligibility or fail to notify the Utility when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility appropriately.

5. It is the responsibility of the customer to notify the Utility within 30 days of any changes in the customer's eligibility status.

6. Customers with connected service to pools, spas or hot tubs are eligible for this discount only if usage is prescribed in writing by a licensed physician.

7. All monetary discounts will be recorded in a deferral account established by the Utility.

8. The initial annual program cap shall be $12,500. The Pilot Program shall sunset on October 18, 2007, unless extended by the Commission or if a permanent program is implemented by the utility as a result of a rate case decision.

SCHEDULE NO. PR-2

COMMERCIAL GAS SERVICE

AVAILABILITY

Available to all commercial customers within the utility's certificated service area where facilities of adequate capacity and pressure are adjacent to the point of delivery.

APPLICABILITY

Applicable to all gas service supplied through one point of delivery and measured through one meter. Not applicable to temporary, standby, supplementary, or resale service.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Propane Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of the gross revenues of the Utility.

PURCHASED GAS ADJUSTMENT CLAUSE

The rates specified for this schedule are subject to increases and decreases in the cost of gas purchased in accordance with those provisions set forth in the "Special Supplementary Tariff, Purchased Gas Cost Adjustment Provision," contained in this Arizona Propane Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule.

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.

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION
(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.

RULE NO. 1

DEFINITIONS

For the purpose of these Tariffs, the terms and expressions listed below shall have the meanings set forth opposite:

Applicant:	A person requesting the Utility to supply gas service.
Application:	A request to the Utility for gas service.
Arizona Corporation Commission:	The regulatory authority of the State of Arizona having jurisdiction over the public service corporations operating in Arizona.
Basic Service Charge:	A fixed amount a customer pays the Utility for the availability of gas service, independent of consumption, as specified in the Utility's tariffs.
Electronic Billing Service Provider:	An agent of the Utility that provides electronic bill presentment and payment service for the Utility and serves as a common link between the Utility and the customer.
Meter:	The instrument for measuring and recording the volume of gas that has passed through it.
Meter Tampering:	A situation where a meter or meter piping has been illegally altered. Common examples are meter bypassing and other unauthorized connections.
Ownership:	The legal right of possession or proprietorship of the premise(s) where service is established.
Person:	Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
Point of Delivery:	The point where pipes owned, leased, or under license by a customer and which are subject to inspection by the appropriate city, county or state authority, connect to the Utility's pipes or at the outlet side of the meter.

RULE NO. 1

DEFINITIONS
(Continued)

Premises:	All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.
Regular Working Hours:	Except for Utility-observed holidays, the period from 8 a.m. to 5 p.m., Monday through Friday.
Residential Dwelling:	A house, apartment, townhouse or any other permanent residential unit that is used as a permanent home.
Residential Use:	Service to customers using gas for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses and includes use in apartment buildings, mobile home parks, and other multi-unit residential buildings.
Service Area:	The territory in which the Utility has been granted a certificate of convenience and necessity and is authorized by the Commission to provide gas service.
Service Line:	Utility's supply line extending from its main line to a point on or adjacent to a customer's premises where the Utility-owned meter is located, which shall be known as the Point of Delivery.
Service Line Extension:	Consists of a service line provided for a new customer at a premise not heretofore served, in accordance with the service line extension rule.
Service Establishment Charge:	A charge as specified in the Utility's tariffs for establishing a new account.
Service Reconnect Charge:	A charge as specified in the Utility's tariffs which must be paid by the customer prior to reconnection of gas service each time the service is disconnected.

RULE NO. 1

DEFINITIONS
(Continued)

Tariffs:	The documents filed with and approved by the Commission which list the rules, regulations, services, and products offered by the Utility and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.
Tariff Sheets:	The individual sheets included in the tariff.
Therm:	A unit of heating value, equivalent to 100,000 British thermal units (Btus).
Utility:	The public service corporation providing gas service to the public in compliance with state law.
Winter Season:	The six-month period beginning November 1 and ending April 30.

RULE NO. 2

AVAILABILITY

1. Service is available to customers located within the Utility's certificated area subject to the conditions of service relating to Utility's established rates and charges and the proximity of Utility existing distribution facilities to customers premises.

2. Where customer(s) cannot be served directly from Utility's existing facilities, the Utility will extend its distribution mains and service lines under the conditions set forth in the Utility's Main Extension Policy recited herein.

RULE NO. 3

ESTABLISHMENT OF SERVICE

GENERAL

Before any person shall be entitled to receive service under the Utility's Rate Schedule Nos. PR-1 and PR-2, such person must sign Utility's standard application form and put up the customary security deposit as provided in this Arizona Propane Tariff.

SECURITY DEPOSIT

1. A deposit is to be required from any applicant for service if, in the opinion of the person passing on credit, the applicant is not a good credit risk.

2. The amount of deposit, if required, should be commensurate with the magnitude and character of service to be rendered. The deposit for Residential customers served under Rate Schedule No. PR-1 is two times the estimated average bill. The deposit for Commercial customers served under Rate Schedule No. PR-2 is two and one-half times the estimated average bill.

3. Accounts of customers who have deposits with the Utility will be reviewed annually and should the customer not be delinquent more than two times in the past 12 months, the deposit will be refunded, along with any accrued interest.

4. The Utility shall be entitled to apply customer's security deposit, together with any unpaid interest accrued thereon, to any indebtedness owed the Utility, and when it has been applied to such indebtedness, the customer's gas service may be discontinued until all the delinquent balance of the account is paid and an adequate deposit is again made with the Utility. No interest will accrue on any deposit after discontinuance of the service to which it relates.

5. The Utility will issue to each customer from whom a security deposit has been received, a non-assignable receipt therefore. The inability of a customer to produce such receipt shall in no way impede the right to receive a refund of the deposit that is reflected in the Utility's records.

6. Interest, computed at the rate of six percent per annum, will be paid by the Utility upon each such deposit for the time the deposit was held and customer was being served by the Utility, except that no interest will be paid on deposits held by the Utility for less than 15 consecutive days.

RULE NO. 4

CHARGE FOR SPECIAL SERVICE

1. Reconnect Charge

   (a) Seasonal Discontinuance: When service is discontinued and later restored for the same customer at the same premises within a period of 12 months from date upon which it was discontinued at the customer's request, the customer shall be charged a reconnect charge, as specified in the Utility's Statement of Rates, A.C.C. Sheet No. 5 of this Arizona Propane Tariff.

   (b) Non-Payment Discontinuance: When satisfactory arrangements have been made by a customer when service has been discontinued because of non-pay, service shall be restored after a reconnect charge has been paid. The reconnection charge is specified in the Utility's Statement of Rates A.C.C. Sheet No. 5 of this Arizona Propane Tariff.

   (c) Exceptions:

      (1) The above charges are not to be made to churches, public schools, and governmental buildings supported by City, County, State, or Federal funds, or in cases where the customer's service had been interrupted by some catastrophe beyond the customer's control.

      (2) A contractor in the process of building new houses for sale to the general public or a housing project for the Federal Government will on occasion, require gas service to complete construction, particularly the interior of a building. There will also be occasions when gas service is required during the period a new dwelling is on display, which is in the process of being sold. In such instances, a Contractor or Developer shall not be required to pay this charge, so long as service is discontinued in the customer's name after the house has been completed or sold.

2. Customer Requested Meter Reread

   If a customer requests the Utility read a meter at any time other than the regular reading date, the customer shall be charged a Meter Reread charge, as specified in the Utility's Statement of Rates A.C.C. Sheet No. 5 of this Arizona Propane Tariff. If the customer's request is due to a high bill and the Utility's representative discovers an over-read or a leak on the outlet of the meter, the customer shall not be charged for the reread.

RULE NO. 4

CHARGE FOR SPECIAL SERVICE
(Continued)

3. Customer Requested Meter Tests

When a customer requests that a meter be tested for accuracy and it is found that the meter is within three percent (3%) fast or slow, based on the average of check and open flow test method, no billing adjustment shall be made and the customer shall be charged a meter testing charge as specified in the Utility's Statement of Rates A.C.C. Sheet No. 5 of this Arizona Propane Tariff. In the event the meter is found to test more than three percent (3%) fast or slow, on the basis stated above, no charge will be made for the testing and the customer will receive a billing adjustment based on the corrected consumption determined under the procedures set forth in this Tariff. The meter shall be tested in the presence of the customer or a representative, if the customer desires.

4. Emergency Leak Calls

The Utility will provide service on emergency leak calls at no charge to the customer.

5. Appliance and Other Miscellaneous Service

The Utility will provide to all customers upon request, burner adjustment, appliance repair, and parts replacement service at the Service Charge Rates specified in the Utility's Statement of Rates A.C.C. Sheet No. 5 of this Arizona Propane Tariff.

(a) Any appliance repair and/or parts replacement to be charged on a time and materials basis.

(b) There shall be a one-hour minimum charge for service calls.

(c) On occasions when a customer requests that the Utility's meter and regulator be relocated at the same address due to new building additions, remodeling or other reasons, these charges shall apply.

RULE NO. 5

GENERAL CONDITIONS OF GAS SERVICE

1. Metering and Basis of Measurement

All gas delivered by the Utility shall be measured through a meter of standard type which is to be installed and maintained at the expense of the Utility.

2. Location of Meters

The customer shall furnish and maintain a suitable location on each premises for the Utility's service line, meter, service cock, regulator, and other appurtenant fittings, which location shall be on the customer's premises and as near as practicable to the point where the customer's house piping begins and where it will be accessible at all times to the Utility's representatives for inspection, reading and testing of meter and regulator.

All meter and regulator installations shall be located where they will not be damaged and where such equipment will be adequately ventilated. The customer shall not permit anyone other than authorized Utility employees to adjust, repair, connect, disconnect, or in any way change the meter or other Utility-owned equipment for use in serving the premises.

3. Right of Ingress and Egress

The customer, without charge, shall grant to the Utility, to the extent necessary, the right to enter upon premises owned or leased by customer (or over which customer has obtained a right-of-way) for the purpose of installing, maintaining, inspecting, repairing, replacing, and/or relocating any service pipe, meters, regulators, and appurtenant equipment necessary for the Utility to provide a safe and adequate customer service, and the right of ingress and egress to and from such premises at all reasonable times, with the right to remove its facilities at the expiration or termination of service agreement.

4. Continuity of Service

The Utility shall exercise due diligence in maintaining delivery of gas but does not guarantee an uninterrupted delivery. The Utility shall not be held liable in damages or otherwise for any interruption or failure, in whole or in part, in gas delivery; nor shall the Utility be liable for damages to persons and/or property due to or on account of any leakage or escape of gas or in any manner connected with the transportation or handling thereof beyond point of delivery to customer, which point is understood to be at a Company-owned meter.

5. Limits of Use

All gas delivered to any customer is for the sole use of such customer on the customer's premises only, and such gas shall not be redelivered or resold or the use thereof by others permitted unless otherwise expressly agreed to in writing by the Utility.

RULE NO. 6

RESPONSIBILITY FOR GAS EQUIPMENT

1. The Utility shall be responsible for the safe conduct and handling of the gas until it passes the point of delivery specified in this Tariff. Except as stated herein, the entire responsibility for the safe conduct, handling, and utilization of the gas after it passes the point of delivery shall be that of the customer, the customer shall pay to the Utility the costs of repairing or replacing such property.

2. Although the Utility assumes no responsibility for the safe upkeep or operating conditions of any customer's service line downstream of the point of delivery, including the house piping, fixtures or appliances, the Utility may refuse to turn on the gas to any customer's premises until all the customer's pipelines and appliances have been tested and found to be tight, safe and free from leaks and in good, safe, operating condition. Such proof, if requested by the Utility, shall be in the form of a certificate executed by a licensed plumber or by the local municipal gas inspector, certifying that such pipes and appliances have been tested and found to be tight, safe, free from leaks and ready for use. After the gas has been turned on, the Utility may also, though it shall not be obligated to do so, test the customer's pipes and appliances for leakage at any reasonable hour. Whenever leakage is found in any such test, the Utility reserves the right to refuse or discontinue service until such leakage is properly corrected.

3. Immediate notice shall be given to the Utility by the customer of any gas escaping on the customer's premises. Under no circumstances shall the Utility be charged with construction notice of defects in piping, equipment and/or appliances (other than the meter, service cock, regulator, and other facilities installed by the Utility) from the point of delivery specified in this Tariff. Upon receipt of notice of escaping gas, the Utility shall, as promptly as may be feasible under the circumstances, send one of its representatives to investigate the matter. If the leakage is found to be caused by any of the Utility's facilities, the Utility shall have the right to temporarily discontinue service until the leakage can be corrected. In the event the leakage is found to be caused by facilities for the upkeep of which the customer is responsible, the Utility shall have the right to discontinue service until such time as the leakage is corrected through proper changes, adjustments and/or repairs.

RULE NO. 7

MAIN AND SERVICE LINES

Extensions of gas distribution mains and services necessary to furnish permanent service to applicants will be made in accordance to this Rule.

GENERAL

The Utility will construct, own, operate, and maintain main and service line extensions.

1. The Utility shall determine the size of pipe and equipment in the construction of extensions to its distribution facilities so as to enable it to maintain an adequate volume of gas at proper pressure conditions.

2. Gas distribution main extensions will be only along public streets, roadways, or rights-of-way easements. All easements or rights-of-way required by the Utility for an extension, or any part thereof, on customer's premises or other private property shall be furnished without cost to the Utility.

3. All service lines, whenever practicable, shall be extended at right angle from the Utility's main on a tangent to the meter location.

4. Each applicant requesting an extension in advance or applications for service will be required to execute a contract covering the terms under which the Utility will install main lines in accordance with the provisions of the tariff schedules.

MAIN AND SERVICE LINE EXTENSION ALLOWANCE

The following maximum amounts of free main and service line extension shall be allowed for the purpose of providing gas service to new residential and commercial customers served on the Utility's Rate Schedule Nos. PR-1 and PR-2.

1. Fifty feet of main line for each bona fide gas customer, plus footage across all intersecting dedicated streets, alleys, and public ways. In any instance where the Utility is able to reduce its cost by participating in a community ditch program with another utility, the amount of the free main extension shall equal the normal cost of installing 50 feet of main by the Utility without such a program.

2. Fifty feet of service line for each bona fide customer, plus the footage across all public thoroughfares for travel and utility easements.

RULE NO. 7

MAIN AND SERVICE LINES
(Continued)

MAIN AND SERVICE LINE EXTENSION ALLOWANCE *(Continued)*

3. The free footage allowances shown above are limited to pipe sizes of 4-inch and smaller.
4. Proposed extensions to serve larger than average customer(s) shall be considered on a revenue basis.

EXTENSIONS IN EXCESS OF THE UTILITY'S FREE ALLOWANCE

On proposed extensions that exceed the free footage allowance, Utility will extend its facilities up to a maximum of 4,500 feet combined distance of mains and service lines, provided customer(s) sign an extension agreement and advance to the Utility the cost of excess footage at the actual cost to the Utility.

If, for any reason, the Utility's meter is installed at a distance from the utility mains greater than the free service line allowance, the customer shall pay the Utility for the excess footage at the actual cost to the Utility. The amount paid by customer is nonrefundable. The net distance can not exceed 200 feet, including all pipe, fittings, meter, and regulator located between the Utility's main and the point of delivery at the outlet of meter.

RULE NO. 8

POLICY ON TRAILER PARKS

1. Each trailer must have outside make-up air vents.

2. Each trailer must have a flexible connector of a minimum length of 36 inches between the bottom of the trailer and ground level at the gas inlet to the trailer.

RULE NO. 9

BILLING

GENERAL

Customers receiving gas service from the distribution facilities of the Utility within its certificated area shall be rendered bills at the approved rates and rules under this Arizona Tariff.

A. METER READ:

All meters shall be read as nearly as may be practicable, on the same day of each calendar month. The reading of such meter shall be conclusive, both with respect to the Utility and the customer, as to the quantities of gas delivered to the consumer, with the following exceptions:

1. Meter Error Corrections:

   Any meter found upon a meter test to register within three percent of the accuracy, whether slow or fast, shall be deemed to be correct. If a meter is found to register more than three percent slow or fast, then for the period between the discovery of the inaccuracy and the last previous test, the reading of such meter shall be corrected by increasing or decreasing the volume of gas, as the case may be, by an amount equal to the difference between the total inaccuracy and three percent.

   In no event shall an adjustment for inaccuracy extend over a period longer than 30 days.

2. Damaged Meter:

   In the event the Utility's meter index should be damaged to the extent that it could not be read or the meter should become inoperative with meter valves open, the quantity of gas delivered during such period shall be determined by one of the following methods applicable:

   (a) By computing the deliveries from the registration of customer's check meter, should customer have a corresponding meter installed and accurately registering;

   (b) By estimating the quantity delivered upon the basis of deliveries during preceding billing period under similar conditions when the meter was registering accurately.

3. No adjustment shall be made and the Utility shall not be liable for any leakage beyond the point of delivery.

RULE NO. 9

BILLING
(Continued)

GENERAL *(Continued)*

B. BILLING UNITS:

For the purpose of billing customer(s), the unit of measurement shall be 100 cubic feet (therm) of gas at the pressure at which it is measured, except when such gas is measured at a gauge pressure in excess of 11 inches water column. The volume of gas measured at a gauge pressure in excess of 4 ounces per square inch shall be adjusted by computation in accordance with Boyle's law, to the volume that it would occupy at a gauge pressure of 11 inches water column. In such computations, a value of 12.6 pounds per square inch shall be used for normal atmospheric pressure and a value of 60 degrees Fahrenheit shall be used for the base and flowing temperature of the gas.

C. BILLING TERMS AND CONDITIONS:

The billing of all customers shall be completed as promptly as practicable following the Utility's established monthly meter reading date, but not to exceed a period of more than five days. Customer shall be allowed ten days following the date bills are rendered to pay the net amount; thereafter, the account becomes past due.

Whenever any customer fails to pay the account within ten days following the date due, the full amount of any bill for gas or other charges authorized to be made by this Tariff, the Utility shall give customer five days written notice that if account is not paid in full within the grace period, it will be necessary for the Utility to apply the customer's security deposit and accrued interest, if any, to this account.

Should the amount of customer's security deposit and accrued interest not be sufficient to cover the total amount due to the Utility, service will be discontinued. Following such action, if customer wishes to resume gas service, it will be necessary to pay Utility the balance of the unpaid account in addition to a reconnection charge as specified on the Utility's Statement of Rates A.C.C. Sheet No. 5 of this Arizona Propane Tariff and to put up a security deposit with the Utility before service will be resumed.

D. DISPUTED BILLS:

In the event that a customer should question the amount of any bill for service rendered by Utility, the proper remedy for such customer to prevent disconnection for non-payment of the bill shall be to pay the disputed account under protest to the Utility. The Utility shall promptly make a thorough investigation of the disputed account and, if found to be correct, the Utility's representative will endeavor to explain all points in question to the customer. If the account is found in error, the Utility shall promptly correct same and render a corrected bill to the customer, together with any refund to which the customer is entitled.

RULE NO. 9

BILLING
(Continued)

GENERAL *(Continued)*

E. CHANGE OF OCCUPANCY:

When a customer moves from any premises supplied by the Utility with gas service, notice thereof shall be given at the office of Utility prior to the date of such change, by the outgoing party, who will be held responsible for all service supplied to the premises until such notice is received, and final meter reading made.

F. SERVING NOTICE:

1. Notice may be given by the Utility to a customer either by an authorized representative of the Utility or by letter or postcard deposited in the United States (U.S.) mail with postage prepaid. Notice given through the mail will be considered given when it is deposited in the U.S. mail, postage prepaid.

2. Notice may be given by the customer to the Utility either directly to an authorized representative of the Utility or by letter or postcard deposited in the U.S. mail with postage prepaid. Notice given through the mail will be considered given at the time it is deposited in the U.S. mail.

G. TERMINATION OF SERVICE WITHOUT NOTICE:

The Utility shall have the right to discontinue service at any time without advance notice to customer for any of the following reasons:

1. Presence of an unsafe condition found on customer's premises.

2. Destruction, damaging or tampering with the Utility's property on the customer's premises.

3. Refusal at any reasonable time to grant an authorized representative of the Utility access to the customer's premises for any lawful purpose.

4. Use, sale or delivery of gas in violation of the terms of customer's service agreement, contract or these rules and regulations or any applicable law or ordinance.

RULE NO. 9

BILLING
(Continued)

BILLING OPTIONS

Customers are also eligible for the following billing services as long as they meet the conditions of the Tariff specified herein.

A. SUMMARY BILLING:

Summary Billing is an optional billing service for sales customers whereby customers with several individual accounts may receive a summary bill with summarized billing data for these accounts. A summary bill may be generated in lieu of the individual bills under the following conditions:

1. Customers electing this service shall execute a service agreement in order to participate in Summary Billing.
2. Eligibility for this service is limited to customers with a minimum of ten individual accounts.
3. The customer name on all of the individual accounts summarized under any one Summary Billing account must be the same.
4. Each month's payment of a summary bill for the "Amount Due" must be one payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Utility in U.S. currency, unless other arrangements acceptable to the Utility have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within ten days after its issuance.
6. The Utility shall not be required to offer or to continue to offer Summary Billing to any customer whose account(s) is (are) past due or in arrears.
7. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Propane Tariff are applicable to Summary Billing and are made a part hereof.

RULE NO. 9

BILLING
(Continued)

BILLING OPTIONS *(Continued)*

B. EQUAL PAYMENT PLAN:

1. The Equal Payment Plan (EPP) is available to all residential customers provided that the customer (applicant) has established credit to the satisfaction of the Utility.
2. Participation in the EPP is subject to approval by the Utility.
3. Customers may sign up for the EPP at any time of year. The EPP amount will be based on the annual estimated bill divided into 12 equal monthly payments.
4. The Utility will render its regular monthly billing statement showing both the amount for actual usage for the period and the designated EPP amount. The customer will pay his designated EPP amount, plus any additional amount shown on the bill for materials, parts, labor or other charges.
5. The settlement month will be the customer's anniversary date, 12 months from the time the customer entered the EPP. The settlement amount is the difference between the EPP payments made and the amount actually owing based on actual usage during the period the customer was billed under the EPP. All debit amounts are due and payable in the settlement month. However, debit amounts of $50 or less may be carried forward and added to the total annual estimated bill for the next EPP year. Credit amounts of $50 or less will be carried forward and applied against the first billing or billings due in the next EPP year. Amounts over $50 will be refunded by check.
6. The EPP amount may be adjusted quarterly to reduce the likelihood of an excessive debit or credit balance in the settlement month for changes in rates due to Commission-approved rate increases or decreases greater than 5 percent, or when estimates indicate that an overpayment or undercollection of $50 or more may occur by the end of the plan year.
7. The Utility may remove from the EPP and place on regular billing any customer who fails to make timely payments according to his EPP obligation. Such a customer will then be subject to termination of service in accordance with this tariff.
8. Readmission to the EPP will be subject to approval by the Utility and payment in full of all past due amounts.

RULE NO. 9

BILLING
(Continued)

BILLING OPTIONS *(Continued)*

B. EQUAL PAYMENT PLAN: *(Continued)*

9. A customer may voluntarily withdraw from the EPP at any time. Any amounts then owing for usage in excess of usage already paid for under the EPP will become due and payable at the customer's next regular billing, in accordance with the Utility's filed tariff schedules. Any EPP payments in excess of amounts based upon actual usage at the time of withdrawal will be applied to the customer's next regular monthly bill, or will be refunded by check if so requested by the customer.

C. LANDLORD AGREEMENTS:

A landlord agreement is defined herein as an agreement between the Utility and a qualified landlord which allows for the automatic continuation of service in the landlord's name when a tenant requests disconnection of service. A qualified landlord is a rental property owner that has established credit with the Utility according to the provisions set forth in this Arizona Propane Tariff.

1. The landlord agreement shall not apply when a tenant is disconnected for nonpayment of gas bills.

2. Disputes regarding effective dates of service shall be resolved between the tenant and the landlord.

3. The service establishment charge may be waived when service under the landlord agreement automatically reverts to the landlord's account, but shall apply when a new tenant requests service at that location.

4. The landlord agreement may be terminated by the landlord or the Utility at any time with 30 days written notice.

RULE NO. 9

BILLING
(Continued)

BILLING OPTIONS *(Continued)*

D. DEFERRED PAYMENT PLAN:

1. The Utility may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for Utility service.

2. Each deferred payment agreement entered into by the Utility and the customer due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:

   (a) Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.

   (b) Customer agrees to pay all future bills for Utility service in accordance with the billing and collection tariffs of the Utility.

   (c) Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six months.

3. For the purposes of determining a reasonable installment payment schedule under these rules, the Utility and the customer shall give consideration to the following conditions:

   (a) Size of the delinquent account

   (b) Customer's ability to pay

   (c) Customer's payment history

   (d) Length of time that the debt has been outstanding

   (e) Circumstances which resulted in the debt being outstanding

   (f) Any other relevant factors related to the circumstances of the customer

4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the Utility's scheduled termination date for nonpayment of bills. In the event a deferred payment agreement has been negotiated and the customer fails to execute said agreement prior to the scheduled termination date, the Utility shall discontinue service for nonpayment.

RULE NO. 9

BILLING
(Continued)

BILLING OPTIONS *(Continued)*

D. DEFERRED PAYMENT PLAN: *(Continued)*

5. Deferred payment agreements may be in writing and shall be signed by the customer and an authorized Utility representative.

6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding.

7. If a customer has not fulfilled the terms of a deferred payment agreement, the Utility shall have the right to disconnect service pursuant to the Utility's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

E. ELECTRONIC BILLING:

Electronic Billing is an optional billing service for residential sales customers whereby customers may elect to receive, view, and pay their gas bills electronically. An electronic bill may be generated in lieu of a paper bill under the following conditions:

1. Customers requesting this service may be required to complete additional forms and agreements with the Utility and/or the Electronic Billing Service Provider.

2. Customers must use a third party Electronic Billing Service Provider.

3. Electronic Billing may be discontinued at any time by the Utility, the customer or the Electronic Billing Service Provider.

4. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Propane Tariff are applicable to Electronic Billing and made a part hereof.