

ORIGINAL



SOUTHWEST GAS CORPORATION

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Roger C. Montgomery, Vice President/Pricing

AZ CORP COMMISSION
DOCUMENT CONTROL

February 27, 2006

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

Subject: Advice Letter No. 06-02-02

Gentlemen:

Re: **Docket No. G-01551A-04-0876**

Southwest Gas Corporation (Southwest) herewith submits for filing an original and thirteen (13) copies of the following tariff sheets applicable to its Arizona Gas Tariff No. 7:

Third Revised A.C.C. Sheet No. 2
Sixth Revised A.C.C. Sheet No. 3
Sixth Revised A.C.C. Sheet No. 4
Seventy-Sixth Revised A.C.C. Sheet No. 11
Seventy-Ninth Revised A.C.C. Sheet No. 12
Twenty-Third Revised A.C.C. Sheet No. 13
Tenth Revised A.C.C. Sheet No. 14
Fourth Revised A.C.C. Sheet No. 15
First Revised A.C.C. Sheet No. 18
Original A.C.C. Sheet No. 18A
Second Revised A.C.C. Sheet No. 19
First Revised A.C.C. Sheet No. 20
Original A.C.C. Sheet No. 20A
Original A.C.C. Sheet No. 20B
First Revised A.C.C. Sheet No. 24
Second Revised A.C.C. Sheet No. 25
First Revised A.C.C. Sheet No. 27
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First Revised A.C.C. Sheet No. 40
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Third Revised A.C.C. Sheet No. 51
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Fourth Revised A.C.C. Sheet No. 66
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First Revised A.C.C. Sheet No. 71-75
Third Revised A.C.C. Sheet No. 76
Fifth Revised A.C.C. Sheet No. 87
Second Revised A.C.C. Sheet No. 88
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First Revised A.C.C. Sheet No. 112
Third Revised A.C.C. Sheet No. 113
First Revised A.C.C. Sheet No. 114
First Revised A.C.C. Sheet No. 115
First Revised A.C.C. Sheet No. 117
First Revised A.C.C. Sheet No. 182

Second Revised A.C.C. Sheet No. 185
First Revised A.C.C. Sheet No. 187
First Revised A.C.C. Sheet No. 189
Second Revised A.C.C. Sheet No. 200
Second Revised A.C.C. Sheet No. 229

Sheet Nos. 22A, 22B and 76A-76C have been removed from Southwest's Arizona Gas Tariff No. 7.

The enclosed tariff sheets are being submitted in compliance with the Commission's Decision No. 68487 in Docket No. G-01551A-04-0876, effective March 1, 2006.

Also enclosed are: (1) a proof of revenues showing that, based on the adjusted test year level of sales, the revised rates will produce no more than the authorized increase; and (2) a supporting schedule showing the calculation of the DOT Pipeline Safety Surcharge.

Each of the tendered tariff sheets is marked with the appropriate symbol(s) to denote the type of revision made. Schedules developing authorized margin and the increase in margin revenues by customer class are attached.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: *Roger C. Montgomery* For
Roger C. Montgomery

jjp
Attachments

c Bob Gray, ACC
Brian Bozzo, ACC
Lori Miller, ACC
Stephen Ahearn, RUCO

**SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
PROOF OF REVENUES**

Line No.	Description (a)	Schedule Number (b)	Billing Determinants		Margin Revenue at Ordered Rates			Total Margin (i)	Margin Revenue at Previous Rates (j)	Increase / Decrease		Line No.
			Number of Bills (c)	Sales (Therms) (d)	Basic Service Charge (e)	Commodity Charge (f)	Basic Service Charge (g)			Commodity Charge (h)	Dollars (k)	
Single-Family Residential Gas Service												
Summer (May - October)												
1	Basic Service Charge per Month	G-5	5,833,463		\$ 9.70		\$ 56,584,591	\$ 56,584,591				1
2	Commodity Charge per Therm			42,242,514		\$ 0.54200	\$ 22,895,443	22,895,443				2
3	First 15 Therms			13,074,976		0.50100	6,550,563	6,550,563				3
	Over 15 Therms											
4	Winter (November - April)		2,973,634		\$ 9.70		\$ 28,844,250	\$ 28,844,250				4
5	Basic Service Charge per Month			117,072,240		0.54200	63,453,154	63,453,154				5
6	Commodity Charge per Therm			87,558,843		0.50100	43,866,981	43,866,981				6
7	First 35 Therms			259,148,573			\$ 136,766,141	\$ 222,194,982	189,938,260	32,256,722	16.98%	7
	Over 35 Therms											
	Total Single-Family Residential Gas Service		8,807,097				\$ 85,428,841	\$ 222,194,982	189,938,260	32,256,722	16.98%	
Low Income Single-Family Residential Gas Service												
Summer (May - October)												
8	Basic Service Charge	G-10	211,472		\$ 9.70		\$ 2,051,278	\$ 2,051,278				8
9	Commodity Charge per Therm			1,570,636		\$ 0.54200	\$ 851,285	851,285				9
10	First 15 Therms			366,049		0.50100	183,391	183,391				10
	Over 15 Therms											
11	Winter (November - April)		107,196		\$ 9.70		\$ 1,039,801	\$ 1,039,801				11
12	Basic Service Charge per Month			4,384,925		0.54200	2,382,049	2,382,049				12
13	Commodity Charge per Therm			3,020,805		0.50100	1,513,423	1,513,423				13
14	First 35 Therms			9,352,415			\$ 3,091,079	\$ 4,950,148	6,553,407	1,467,820	22.40%	14
	Over 35 Therms											
	Total Low Income Single-Family Residential Gas Service		318,668				\$ 3,091,079	\$ 4,950,148	6,553,407	1,467,820	22.40%	
Multi-Family Residential Gas Service												
Summer (May - October)												
15	Basic Service Charge per Month	G-6	456,582		\$ 8.70		\$ 3,972,263	\$ 3,972,263				15
16	Commodity Charge per Therm			2,089,803		\$ 0.54200	\$ 1,132,673	1,132,673				16
17	First 7 Therms			1,877,350		0.50100	940,553	940,553				17
	Over 7 Therms											
18	Winter (November - April)		233,245		\$ 8.70		\$ 2,029,232	\$ 2,029,232				18
19	Basic Service Charge per Month			5,176,110		0.54200	2,805,452	2,805,452				19
20	Commodity Charge per Therm			5,245,395		0.50100	2,770,213	2,770,213				20
21	First 18 Therms			14,672,630			\$ 6,001,495	\$ 7,648,891	12,503,879	1,146,507	9.17%	21
	Over 18 Therms											
	Total Multi-Family Residential Gas Service		689,627				\$ 6,001,495	\$ 13,650,396	12,503,879	1,146,507	9.17%	
Low Income Multi-Family Residential Gas Service												
Summer (May - October)												
22	Basic Service Charge per Month	G-11	33,599		\$ 8.70		\$ 292,311	\$ 292,311				22
23	Commodity Charge per Therm			148,204		\$ 0.54200	\$ 80,668	80,668				23
24	First 7 Therms			148,532		0.50100	74,414	74,414				24
	Over 7 Therms											
25	Winter (November - April)		17,488		\$ 8.70		\$ 152,146	\$ 152,146				25
26	Basic Service Charge per Month			386,789		0.54200	209,629	209,629				26
27	Commodity Charge per Therm			503,125		0.50100	252,066	252,066				27
28	First 18 Therms			1,187,630			\$ 444,457	\$ 1,051,434	920,422	141,012	15.32%	28
	Over 18 Therms											
	Total Low Income Multi-Family Residential Gas Service		51,087				\$ 444,457	\$ 1,051,434	920,422	141,012	15.32%	

**SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
PROOF OF REVENUES**

Line No.	Description (a)	Schedule Number (b)	Billing Determinants		Margin Revenue at Ordered Rates				Margin Revenue at Previous Rates (j)	Increase/Decrease Dollars (k)	Percent (l)	Line No.
			Number of Bills (c)	Sales (Therms) (d)	Basic Service Charge (e)	Commodity Charge (f)	Basic Service Charge (g)	Commodity Charge (h)				
Special Residential Gas Service - Summer (May - October)												
1	Basic Service Charge per Month	G-15	785		\$ 9.70	\$ 7,615	\$ 7,615					1
2	Commodity Charge per Therm			11,869	\$ 0.54200	\$ 6,433	\$ 6,433					2
3	First 15 Therms			102,055	\$ 0.28200	\$ 28,780	\$ 28,780					3
4	Over 15 Therms											
Winter (November - April)												
4	Basic Service Charge per Month		1,089		\$ 9.70	\$ 10,660	\$ 10,660					4
5	Commodity Charge per Therm			29,006	\$ 0.54200	\$ 15,721	\$ 15,721					5
6	First 35 Therms			81,646	\$ 0.50100	\$ 40,905	\$ 40,905					6
7	Over 35 Therms			224,576	\$ 0.50100	\$ 110,114	\$ 110,114					7
8	Total Special Residential Gas Service		1,884			\$ 94,984,147	\$ 150,053,996	\$ 245,038,143				8
9	Total Residential Gas Service		9,868,563	285,385,824		\$ 136,080	\$ 136,080	\$ 136,080				9
Master Metered Mobile Home Park Gas Service												
9	Basic Service Charge per Month	G-20	2,268		\$ 60.00	\$ 136,080	\$ 136,080					9
10	Commodity Charge per Therm All Usage			2,452,509	\$ 0.38400	\$ 941,763	\$ 941,763					10
11	All Usage		2,268	2,452,509		\$ 136,080	\$ 941,763	\$ 1,077,843				11
11	Total MMHP Gas Service		2,268	2,452,509		\$ 136,080	\$ 941,763	\$ 1,077,843				11
General Gas Service - Small												
12	Basic Service Charge	G-25(S)	197,811		\$ 25.00	\$ 4,945,275	\$ 4,945,275					12
13	Former Small GS Customers		96		\$ 25.00	\$ 2,400	\$ 2,400					13
14	Former Medium GS Customers		0		\$ 25.00	\$ 0	\$ 0					14
15	Former Essential Agriculture Customers		0		\$ 25.00	\$ 0	\$ 0					15
15	Commodity Charge per Therm All Usage			629	\$ 0.56217	\$ 354	\$ 354					15
16	Transportation Customers			3,784,094	\$ 0.56217	\$ 2,127,304	\$ 2,127,304					16
17	Sales Customers			3,784,723	\$ 0.56217	\$ 2,127,658	\$ 2,127,658					17
17	Total Small General Gas Service		197,807			\$ 4,947,675	\$ 7,075,333	\$ 7,075,333				17
General Gas Service - Medium												
18	Basic Service Charge	G-25(M)	191,331		\$ 33.00	\$ 6,313,923	\$ 6,313,923					18
19	Former Small GS Customers		3,708		\$ 33.00	\$ 122,364	\$ 122,364					19
20	Former Medium GS Customers		12		\$ 33.00	\$ 396	\$ 396					20
21	Former Large GS Customers		24		\$ 33.00	\$ 792	\$ 792					21
22	Former Armed Forces Customers		0		\$ 33.00	\$ 0	\$ 0					22
22	Former Essential Agriculture Customers		0		\$ 33.00	\$ 0	\$ 0					22
23	Commodity Charge per Therm All Usage			101,424	\$ 0.39349	\$ 39,909	\$ 39,909					23
24	Transportation Customers			85,250	\$ 0.39349	\$ 33,545	\$ 33,545					24
24	Former Small GS Customers				\$ 0.39349	\$ 39,909	\$ 39,909					24
24	Former Medium GS Customers				\$ 0.39349	\$ 33,545	\$ 33,545					24
25	Sales Customers			40,955,338	\$ 0.39349	\$ 16,115,516	\$ 16,115,516					25
26	Former Small GS Customers			1,745,235	\$ 0.39349	\$ 686,733	\$ 686,733					26
27	Former Medium GS Customers			5,050	\$ 0.39349	\$ 1,987	\$ 1,987					27
28	Former Large GS Customers			3,847	\$ 0.39349	\$ 1,514	\$ 1,514					28
29	Former Armed Forces Customers			0	\$ 0.39349	\$ 0	\$ 0					29
30	Former Essential Agriculture Customers			42,896,144	\$ 0.39349	\$ 16,879,204	\$ 16,879,204					30
30	Total Medium General Gas Service		195,075			\$ 6,437,475	\$ 23,316,679	\$ 23,316,679				30

**SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
PROOF OF REVENUES**

Line No.	Description	Schedule Number	Billing Determinants		Basic Service Charge (e)	Commodity Charge (f)	Margin Revenue at Ordered Rates		Commodity Charge (h)	Total Margin (i)	Margin Revenue at Previous Rates (j)	Increase / Decrease		Line No.
			Number of Bills (c)	Sales (Therms) (d)			Basic Service Charge (g)	Commodity Charge (k)				Dollars (k)	Percent (l)	
G-25(L)														
1	General Gas Service - Large													
2	Basic Service Charge		4,375		\$ 145.00	\$ 0.27211	\$ 634,375	\$ 22,281	\$ 634,375					1
3	Former Small GS Customers		79,384		145.00	0.27211	11,510,680	733,790	11,510,680					2
4	Former Medium GS Customers		120		145.00	0.27211	17,400	86,093	17,400					3
5	Former Large GS Customers		24		145.00	0.27211	3,480		3,480					4
6	Former Armed Forces Customers													5
7	Commodity Charge per Therm All Usage													6
8	Transportation Customers													7
9	Former Small GS Customers			81,882										8
10	Former Medium GS Customers			2,696,666										9
11	Former Large GS Customers			316,390										10
12	Sales Customers													11
13	Former Small GS Customers			2,938,939										12
14	Former Medium GS Customers			134,740,525										13
15	Former Large GS Customers			1,065,381										14
16	Former Armed Forces Customers			188,776										15
17	Total Large General Gas Service		83,903	141,998,559			12,165,935	38,639,229	50,805,164	46,243,388	4,561,776	9.86%	16	
G-25(TE)														
18	General Gas Service - Transportation Eligible													17
19	Basic Service Charge		60		\$ 720.00	\$ 0.08953	\$ 43,200	\$ 0	\$ 43,200					18
20	Former Medium GS Customers		0		720.00	0.08953	0	0	0					19
21	Former Essential Agricultural Service Customers		1,680		720.00	0.08953	1,209,600	2,312,751	1,209,600					20
22	Former Large GS Customers		60		720.00	0.08953	43,200	7,908,648	43,200					21
23	Former Armed Forces Customers			10,571,934	0.062340				7,908,648					22
24	Demand Charge per Month													23
25	Commodity Charge per Therm All Usage													24
26	Transportation Customers													25
27	Former Medium GS Customers			0										26
28	Former Essential Agricultural Services Customers			25,832,133										27
29	Former Large GS Customers			1,016,137										28
30	Sales Customers													29
31	Former Medium GS Customers			46,460,065										30
32	Former Essential Agricultural Services Customers			2,994,890										31
33	Former Large GS Customers			76,303,225										32
34	Former Armed Forces Customers													33
35	Commodity Charge per Therm All Usage		1,800				\$ 1,296,000	\$ 14,740,077	\$ 16,036,077	\$ 13,987,568	\$ 2,048,509	14.65%	34	
36	Total Transportation Eligible General Gas Service		478,685	264,982,651			\$ 24,847,085	\$ 72,386,168	\$ 97,233,253	\$ 85,920,279	\$ 11,312,974	13.17%	35	
G-40														
37	Air Conditioning Gas Service													36
38	Basic Service Charge		60		0.00		0	0	0					37
39	W/ Other Service (No BSC)		317		33.00		10,461		10,461					38
40	General Service - Medium		24		145.00		3,480		3,480					39
41	General Service - Large		36		720.00		25,920		25,920					40
42	General Service - TE		12		90.00		1,080		1,080					41
43	Essential Agricultural													42
44	Commodity Charge per Therm All Usage													43
45	Transportation Customers			628,909										44
46	Sales Customers			1,207,635										45
47	Total Air Conditioning Gas Service		449	1,836,544			\$ 40,941	\$ 181,818	\$ 222,759	\$ 167,216	\$ 55,543	33.22%	46	
G-45														
48	Street Lighting Gas Service													47
49	Commodity Charge per Therm		348											48
50	of Rated Capacity		348											49
51	All Usage			99,883			\$ 54,536	\$ 54,536	\$ 54,536	\$ 47,592	\$ 6,944	14.59%	50	
52	Total Street Lighting Gas Service		348	99,883			0	54,536	54,536	47,592	6,944	14.59%	51	

SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
PROOF OF REVENUES

Line No.	Description (a)	Schedule Number (b)	Billing Determinants		Margin Revenue at Ordered Rates				Total Margin (i)	Margin Revenue at Previous Rates (j)	Increase / Decrease Dollars (k)	Percent (l)	Line No.
			Number of Bills (c)	Sales (Terms) (d)	Basic Service Charge (e)	Commodity Change (f)	Basic Service Charge (g)	Commodity Change (h)					
Gas Service for Compression on Customer's Premises													
G-55													
1	Small		264		\$ 25.00	\$ 0	\$ 6.600	\$ 6.600				1	
2	Large		324		190.00		61,560	61,560				2	
3	Residential		1,320		9.70		12,804	12,804				3	
4	Commodity Change per Therm All Usage Transportation Customers			0	\$ 0.17000	\$ 0	\$ 0	0				4	
5	Sales Customers			182,313	0.17000	\$ 30,993	30,993	30,993				5	
6	Small			1,896,808	0.17000	\$ 322,797	322,797	322,797				6	
7	Large			79,719	0.17000	13,552	13,552	13,552				7	
8	Residential		1,909			\$ 367,342	\$ 448,306	448,306	367,342	89,866	25.08%	8	
	Total CNG Gas Service			2,160,840									
Electric Generation Gas Service													
G-60													
9	Basic Service Charge		0		\$ 25.00	\$ 0	\$ 0	0				9	
10	General Service - Small		60		33.00		1,980	1,980				10	
11	General Service - Medium		84		145.00		12,180	12,180				11	
12	General Service - Large		108		720.00		77,760	77,760				12	
13	Essential Agricultural		24		90.00		2,160	2,160				13	
14	Commodity Change per Therm All Usage Transportation Customers			0	\$ 0.11400	\$ 0	\$ 0	0				14	
15	Sales Customers			15,007,742	0.11400	\$ 1,710,883	1,710,883	1,710,883				15	
16	Total Electric Generation Gas Service		276			\$ 1,710,883	\$ 1,804,963	1,804,963	1,710,883	399,611	28.43%	16	
Small Essential Agriculture User Gas Service													
G-75													
17	Basic Service Charge		1,347		\$ 90.00	\$ 0	\$ 121,230	121,230				17	
18	Commodity Change per Therm All Usage Transportation Customers			4,590,241	\$ 0.22300	\$ 1,023,624	1,023,624	1,023,624				18	
19	Sales Customers			7,988,984	0.22300	1,781,546	1,781,546	1,781,546				19	
20	Total Essential Agricultural Gas Service		1,347			\$ 2,805,170	\$ 2,805,170	2,805,170	2,805,170	376,450	14.76%	20	
Natural Gas Engine Gas Service													
G-80													
21	Basic Service Charge		3,623		\$ 0.00	\$ 0	\$ 0	0				21	
22	Off-Peak Season (Oct. - March)		3,623		95.00		344,138	344,138				22	
23	Peak Season (April - September)			0	\$ 0.17700	\$ 0	\$ 0	0				23	
24	Commodity Change per Therm All Usage Transportation Customers			21,271,370	0.17700	\$ 3,785,032	3,785,032	3,785,032				24	
25	Sales Customers		7,245			\$ 4,109,170	\$ 4,109,170	4,109,170	3,785,032	375,748	10.08%	25	
26	Total Natural Gas Engine Gas Service		10,361,089			\$ 232,296,708	\$ 352,915,373	352,915,373	305,070,666	47,844,707	15.66%	26	
27	Optional Gas Service		324		\$ 510,740	\$ 5,032,592	5,543,332	5,543,332	5,476,592	66,740	1.22%	27	
28	Special Contract Service		271		\$ 184,703	\$ 1,950,134	2,134,837	2,134,837	2,134,837	0	0.00%	28	
29	Other Operating Revenues				\$ 11,618,051	\$ 11,618,051	11,618,051	11,618,051	10,183,863	1,434,188	14.08%	29	
30	Total Revenue		10,361,884			\$ 239,249,434	\$ 372,211,593	372,211,593	322,865,978	49,345,615	15.28%	30	
31	Total Revenue Requirement											31	
32	Over/(Under)											32	

(321)

**SOUTHWEST GAS CORPORATION
ARIZONA
DOT PIPELINE SAFETY SURCHARGE CALCULATION
EFFECTIVE MARCH 1, 2006**

Line No.	Calendar Year	Annual Estimates [1]	Monthly Estimates		Line No.	
	(a)	(b)	(c)	(b) / 12		
1	2006	704,293	58,691		1	
2	2007	704,293	58,691		2	
3	2008	563,433	46,953		3	
4	2009	563,433	46,953		4	
	12 ME February	Cost	Disallowed	Recoverable	Projected Therm Sales [6]	Per Therm Surcharge
	(a)	(b)	(c)	(d)	(e)	(f)
5	2006 \$	1,348,242 [2]	50%	\$ 674,121		5
6	2007	704,293 [3]	50%	352,147	737,834,487	6
7	2008	680,816 [4]	50%	340,408	759,969,522	7
8	2009	563,433 [5]	50%	281,717	782,768,607	8
9	Total			<u>\$ 1,648,392</u>	<u>2,280,572,616</u>	\$ 0.0007228 9

[1] Rebuttal Exhibit RAM-2

[2] Amount deferred through December 2005 (\$1,230,860) + 2 projected months of 2006 (Ln 1c x 2)

[3] 10 months projected 2006 + 2 months projected 2007 [(Ln 1c x 10) + (Ln 2c x 2)]

[4] 10 months projected 2007 + 2 months projected 2008 [(Ln 2c x 10) + (Ln 3c x 2)]

[5] 10 months projected 2008 + 2 months projected 2009 [(Ln 3c x 10) + (Ln 4c x 2)]

[6] Staff Direct Schedule JJD-12 Page 3

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

Canceling Third Revised A.C.C. Sheet No. 2
Second Revised A.C.C. Sheet No. 2

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Issued On February 27, 2006
Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006 T
Decision No. 68487 T

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

Canceling Sixth Revised A.C.C. Sheet No. 4
Fifth Revised A.C.C. Sheet No. 4

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John P. Hester
Vice President

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

Description	Delivery Charge	^{2/} Rate Adjustment	^{3/} Monthly Gas Cost	Currently Effective Tariff Rate
G-5 – Single-Family Residential Gas Service				
Basic Service Charge per Month	\$ 9.70			\$ 9.70
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$.54200	\$.00783	\$.76804	\$ 1.31787
Over 15 Therms	.50100	.00783	.76804	1.27687
Winter (November–April):				
First 35 Therms	\$.54200	\$.00783	\$.76804	\$ 1.31787
Over 35 Therms	.50100	.00783	.76804	1.27687
G-6 – Multi-Family Residential Gas Service				
Basic Service Charge per Month	\$ 8.70			\$ 8.70
Commodity Charge per Therm:				
Summer (May–October):				
First 7 Therms	\$.54200	\$.00783	\$.76804	\$ 1.31787
Over 7 Therms	.50100	.00783	.76804	1.27687
Winter (November–April):				
First 18 Therms	\$.54200	\$.00783	\$.76804	\$ 1.31787
Over 18 Therms	.50100	.00783	.76804	1.27687
G-10 – Single-Family Low Income Residential Gas Service				
Basic Service Charge per Month	\$ 7.00			\$ 7.00
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$.54200	\$.00131	\$.65804	\$ 1.20135
Over 15 Therms	.50100	.00131	.65804	1.16035
Winter (November–April):				
First 35 Therms	\$.30173	\$.00131	\$.65804	\$ 0.96108
Next 115 Therms	.26893	.00131	.65804	0.92828
Over 150 Therms	.50100	.00131	.65804	1.16035
G-11 – Multi-Family Low Income Residential Gas Service				
Basic Service Charge per Month	\$ 7.00			\$ 7.00
Commodity Charge per Therm:				
Summer (May–October):				
First 7 Therms	\$.54200	\$.00131	\$.65804	\$ 1.20135
Over 7 Therms	.50100	.00131	.65804	1.16035
Winter (November–April):				
First 18 Therms	\$.30173	\$.00131	\$.65804	\$ 0.96108
Next 132 Therms	.26893	.00131	.65804	0.92828
Over 150 Therms	.50100	.00131	.65804	1.16035
G-15 – Special Residential Gas Service for Air Conditioning				
Basic Service Charge per Month	\$ 9.70			\$ 9.70
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$.54200	\$.00131	\$.76804	\$ 1.31135
Over 15 Therms	.28200	.00131	.76804	1.05135
Winter (November–April):				
First 35 Therms	\$.54200	\$.00131	\$.76804	\$ 1.31135
Over 35 Therms	.50100	.00131	.76804	1.27035

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

Description	Delivery Charge	^{2/} Rate Adjustment	^{3/} Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-20 – Master-Metered Mobile Home Park Gas Service</u>				
Basic Service Charge per Month	\$ 60.00			\$ 60.00
Commodity Charge per Therm:				
All Usage	\$.38400	\$.00783	\$.76804	\$ 1.15987
<u>G-25 – General Gas Service</u>				
Basic Service Charge per Month:				
Small	\$ 25.00			\$ 25.00
Medium	33.00			33.00
Large	145.00			145.00
Transportation Eligible	720.00			720.00
Commodity Charge per Therm:				
Small, All Usage	\$.56217	\$.00185	\$.76804	\$ 1.33206
Medium, All Usage	.39349	.00185	.76804	1.16338
Large, All Usage	.27211	.00185	.76804	1.04200
Transportation Eligible	.08953	.00185	.76804	0.85942
Demand Charge per Month— Transportation Eligible:				
Demand Charge ^{4/}	\$.062340			\$ 0.062340
<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:				
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:				
All Usage	\$.09900	\$.00185	\$.76804	\$ 0.86889
<u>G-45 – Street Lighting Gas Service</u>				
Commodity Charge per Therm of Rated Capacity:				
All Usage	\$.54600	\$.00185	\$.76804	\$ 1.31589
<u>G-55 – Gas Service for Compression on Customer's Premises ^{5/}</u>				
Basic Service Charge per Month:				
Small	\$ 25.00			\$ 25.00
Large	190.00			190.00
Residential	9.70			9.70
Commodity Charge per Therm:				
All Usage	\$.17000	\$.00185	\$.76804	\$ 0.93989
<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:				
All Usage	\$.11400	\$.00185	\$.76804	\$ 0.88389
<u>G-75 – Small Essential Agricultural User Gas Service</u>				
Basic Service Charge per Month	\$ 90.00			\$ 90.00
Commodity Charge per Therm:				
All Usage	\$.22300	\$.00185	\$.76804	\$ 0.99289

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

Description	Delivery Charge	^{2/} Rate Adjustment	^{3/} Monthly Gas Cost	Currently Effective Tariff Rate
G-80 - Natural Gas Engine Gas Service ^{6/}				
Basic Service Charge per Month:				
Off-Peak Season (October-March)	\$ 0.00			\$ 0.00
Peak Season (April-September)	\$ 95.00			\$ 95.00
Commodity Charge per Therm:				
All Usage	\$.17700	\$.00185	\$.75240	\$ 0.93125

- ^{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 \$.00543 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.
- ^{3/} (a) For Schedule Nos. G-5, G-6 and G-20, the Rate Adjustment includes \$.00652 per therm to recover LIRA program costs. This charge shall be updated annually effective May 1.
- (b) For Schedule Nos. G-5, G-6, G-10, G-11, G-15 and G-20, the Rate Adjustment includes (\$.00054) per therm to fund DSM Program costs. For all other rate schedules, except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$0.00000 per therm to fund DSM Program costs. This charge shall be updated annually effective April 1.
- (c) For all rate schedules, except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00113 per therm for the Gas Research Fund. This charge shall be updated annually effective May 1.
- (d) For all rate schedules, the Rate Adjustment includes \$.00072 per therm for the Department of Transportation (DOT) Safety Program costs. This charge shall be updated annually effective May 1.
- ^{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.

SOUTHWEST GAS CORPORATION
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Arizona Gas Tariff No. 7
Arizona Division

Canceling Tenth Revised A.C.C. Sheet No. 14
Ninth Revised A.C.C. Sheet No. 14

HELD FOR FUTURE USE

D/N

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**STATEMENT OF RATES
OTHER SERVICE CHARGES ^{1/}**

<u>Description</u>	<u>Reference</u>	<u>Amount</u>	
<u>Service Establishment Charge</u>			
<u>Schedule No. G-5, G-6, or G-15</u>			
Normal Service	Rule 3D	\$ 35.00	C I I N N N C N
Expedited Service	Rule 3D	50.00	
<u>Schedule No. G-10 or G-11</u>			
Normal Service	Rule 3D	\$ 24.00	T N
Expedited Service	Rule 3D	32.00	
<u>All Other Rate Schedules ^{2/}</u>			
Normal Service	Rule 3D	\$ 60.00	N
Expedited Service	Rule 3D	85.00	
<u>Customer Requested Meter Tests</u>			
First Test	Rule 8C	\$ 25.00	T N
Subsequent Tests ^{3/}		\$ 25.00	
<u>Returned Item Charge</u>			
Per Item	Rule 9J	\$ 14.00	
<u>Re-Read Charge</u>			
Per Read	Rule 8B	\$ 10.00	
<u>Late Charge</u>			
Each Delinquent Bill	Rule 9E	1.5% of the delinquent amount.	
<u>Field Collection Fee</u>			
Each Field Collection	Rule 9E	\$ 20.00	

^{1/} Subject to adjustment for any applicable taxes or governmental impositions.
^{2/} For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility in establishing service.
^{3/} For customers whose annual usage exceeds 180,000 therms per year, the Utility may, at its sole discretion, charge the customer the costs actually incurred by the Utility to perform the meter test.

Schedule No. G-5

SINGLE-FAMILY RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to customers which consists of direct domestic gas usage in a single-family residential dwelling for space heating, clothes drying, cooking, water heating, and other residential uses.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas 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 Tariff.

RULES AND REGULATIONS

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

SOUTHWEST GAS CORPORATION
P.O. Box 98510
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Arizona Gas Tariff No. 7
Arizona Division

Original A.C.C. Sheet No. 18A
Canceling _____ A.C.C. Sheet No. _____

Schedule No. G-6

MULTI-FAMILY RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to customers which consists of direct domestic gas usage in a multi-family residential dwelling for space heating, clothes drying, cooking, water heating, and other residential uses.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge and commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas 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 Tariff.

RULES AND REGULATIONS

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

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Vice President

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Schedule No. G-10

SINGLE-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to the primary residences of low income residential customers who would otherwise be provided service under Schedule No. G-5 and who meet the criterion which establishes that a qualifying customer's household income must not exceed 150 percent of the Federal poverty.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and is incorporated herein by reference. The commodity charge applicable to the first 150 therms per month during the winter season (November through April) delivered under this schedule shall reflect a 20 percent reduction from the commodity charge (excluding the LIRA and Gas Cost Balancing Account rate adjustments) applicable to Schedule No. G-5, the customer's otherwise applicable gas sales tariff schedule.

MINIMUM CHARGE

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

SPECIAL CONDITIONS

1. Eligibility requirements for the Low Income Residential Gas Service 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.

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Vice President

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Schedule No. G-10

SINGLE-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. Eligible customers shall be billed under this schedule during the winter season commencing 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 schedule.
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 under their otherwise applicable residential schedule.
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 schedule, only if usage is prescribed, in writing, by a licensed physician.
7. All monetary discounts will be tracked through a balancing account established by the Utility and recovered through the Utility's Low Income Ratepayer Assistance (LIRA) rate adjustment.
8. 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 Gas Tariff.

RULES AND REGULATIONS

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

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Schedule No. G-11

MULTI-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to the primary residences of low income residential customers who would otherwise be provided service under Schedule No. G-6 and who meet the criterion which establishes that a qualifying customer's household income must not exceed 150 percent of the Federal poverty level.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and is incorporated herein by reference. The commodity charge applicable to the first 150 therms per month during the winter season (November through April) delivered under this schedule shall reflect a 20 percent reduction from the commodity charge (excluding the LIRA and Gas Cost Balancing Account rate adjustments) applicable to Schedule No. G-6, the customer's otherwise applicable gas sales tariff schedule.

MINIMUM CHARGE

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

SPECIAL CONDITIONS

1. Eligibility requirements for the Low Income Residential Gas Service 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.

Schedule No. G-11

MULTI-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. Eligible customers shall be billed under this schedule during the winter season commencing 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 schedule.
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 under their otherwise applicable residential schedule.
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 schedule, only if usage is prescribed, in writing, by a licensed physician.
7. All monetary discounts will be tracked through a balancing account established by the Utility and recovered through the Utility's Low Income Ratepayer Assistance (LIRA) rate adjustment.
8. 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 Gas Tariff.

RULES AND REGULATIONS

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

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Schedule No. G-10

MASTER-METERED MOBILE HOME PARK GAS SERVICE
(Continued)

LOW INCOME DISCOUNT (Continued)

Customers submitting LIRA discount applications on behalf of eligible tenants during the winter season will begin receiving the discount in the next regularly scheduled billing period subsequent to the Utility's approval of the submitted application. All LIRA application information may be subject to verification by the Utility. Failure of a customer to provide any eligibility documentation requested by the Utility shall render the customer ineligible for the respective LIRA discount request. Customers that receive the LIRA discount on behalf of ineligible tenants may be rebilled for the period of ineligibility under the otherwise applicable undiscounted sales rate.

All LIRA rate discounts will be tracked by the Utility and recorded in a balancing account and recovered through the Utility's LIRA rate adjustment.

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 Gas 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. G-25

GENERAL GAS SERVICE

APPLICABILITY

Applicable to commercial, industrial, United States Armed Forces, and essential agricultural customers as defined in Rule No. 1 of this Arizona Gas Tariff. Small general gas service customers are defined as those whose average monthly requirements on an annual basis are less than or equal to 50 therms per month. Medium general gas service customers are those whose average monthly requirements on an annual basis are greater than 50 therms, but less than or equal to 600 therms per month. Large general gas service customers are those whose average monthly requirements on an annual basis are greater than 600 therms per month, but less than or equal to 15,000 therms per month. Transportation-eligible gas service customers are those whose average monthly requirements on an annual basis are greater than 15,000 therms per month.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

1. Small, Medium, and Large General Gas Service

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

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

2. Transportation-Eligible General Gas Service

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

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to each customer's highest monthly throughput during the most recent 12-month period, ending the month prior to the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

Schedule No. G-30

OPTIONAL GAS SERVICE

APPLICABILITY

Applicable to natural gas use by customers that qualify for service under this schedule according to either Applicability Provision (1), (2) or (3) below:

1. Customers whose average monthly requirements on an annual basis are greater than 11,000 therms per month and who have installed facilities capable of burning alternate fuels or energy.
2. Customers whose average monthly requirements on an annual basis are greater than 11,000 therms per month and who can demonstrate to the Utility sufficient evidence of economic hardship under the customer's otherwise applicable sales tariff schedule.
3. Customers whose requirements may be served by other natural gas suppliers at rates lower than the customer's otherwise applicable gas sales tariff schedule. As a condition precedent to qualifying for service under this applicability provision, the customer must qualify for transportation service under Schedule No. T-1 and establish that bypass is economically, operationally and physically feasible and imminent.

This optional schedule is not available for partial requirements gas service where gas is used in combination with alternate fuels or energy, or with natural gas provided by other suppliers. Any gas service rendered to customers not in conformance with the provisions of this schedule shall be billed under the otherwise applicable gas sales tariff schedule.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is the charge per meter set as set forth in the customer's otherwise applicable gas sales tariff schedule and is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff or the charge as set forth in the customer's service agreement.

Schedule No. G-30

OPTIONAL GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. The commodity charge per therm may vary from customer to customer based on value of the service and on the customer's ability to change from one fuel to another and may be revised from time to time as costs and conditions change. In no event shall the commodity charge per therm charged to the customer, excluding gross revenue taxes, exceed the sum of the commodity charge per therm and the demand charge, if applicable, that would have been charged under the customer's otherwise applicable gas sales tariff schedule, adjusted to exclude the Gas Cost Balancing Account Adjustment.
3. A Special Gas Procurement Agreement under this schedule is defined herein as an agreement between the Utility and an applicable customer which enumerates the provisions whereby the Utility will procure specific supplies of gas for the customer. The Agreement must be reviewed and explicitly approved by the Commission prior to providing service pursuant to this condition. The commodity charge per therm for Special Gas Procurement Agreement customers may vary depending on the terms and conditions of the Agreement, but in no event shall be less than the sum of (a) the weighted average cost of gas purchased from suppliers on behalf of the customer; (b) any upstream pipeline capacity or volumetric charges, including an allowance for pipeline shrinkage, incurred to deliver such supply to the Utility's mainline delivery point; and (c) an amount to reflect distribution system shrinkage. A sole and separate accounting of gas purchases and sales made under Special Gas Procurement Agreements shall be maintained by the Utility. The cost of gas purchases made for such customers will be excluded from the Purchased Gas Cost Adjustment Provision. However, the Utility shall credit to Account No. 191, Unrecovered Purchased Gas Costs, all upstream pipeline capacity charges collected from the customer.
4. All customers that qualify for service under this schedule because of installed alternate fuel capability must have and maintain adequate alternate fuel standby facilities of equivalent capacity to those natural gas facilities served hereunder. These facilities are subject to Utility inspection and verification of operating capacity and capability.

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Vice President

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SOUTHWEST GAS CORPORATION
P.O. Box 98510
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Arizona Gas Tariff No. 7
Arizona Division

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Docket No. G-01551A-04-0876

Issued by
John P. Hester
Vice President

Effective March 1, 2006 T
Decision No. 68487 T

Schedule No. G-40

AIR-CONDITIONING GAS SERVICE

APPLICABILITY

Applicable to gas service to commercial or industrial customers as defined in Rule No. 1 of this Arizona Gas Tariff who qualify for service under Schedule No. G-25 and who have installed and regularly operate a gas-fired air-conditioning system which meets the Utility's specifications and approval.

All of the provisions of the customer's otherwise applicable gas sales tariff schedule shall apply to this service unless specifically modified within this schedule.

The volume of gas used for air-conditioning only purposes shall be determined by metering equipment installed by the Utility, unless, a written agreement is executed by the customer and the Utility that sets forth the estimated gas volumes or the methodology to determine the volumes to be billed under this schedule.

Service for any end use of gas other than for air-conditioning purposes, such as space heating, water heating, processing or boiler fuel use, is not permitted under this schedule and shall be billed under the otherwise applicable gas sales tariff schedule. Volumes billed under this schedule may not be used for purposes of establishing the customer's average monthly requirements under Schedule No. G-25.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is the charge under the customer's otherwise applicable gas sales tariff schedule. The basic service charge and the commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge as set forth in the customer's otherwise applicable gas sales tariff schedule.

Schedule No. G-45

STREET LIGHTING GAS SERVICE

APPLICABILITY

Applicable to gas service for continuous street or outdoor lighting in lighting devices approved by the Utility. Service under this schedule is conditional upon arrangements mutually satisfactory to the customer and the Utility for connection of customer's lighting devices to Utility's facilities.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The charge per month is the product of the therms per month per mantle and the commodity rate as set forth in the currently effective Statement of Rates of this Arizona Gas Tariff, and such commodity rate is incorporated herein by reference.

SPECIAL CONDITIONS

1. At its sole option, the Utility may reduce the maximum rated capacity to reflect use of automatic dimmer devices or adjustment of the lamps to operate at less than maximum rated capacity.
2. 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.

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Schedule No. G-55

GAS SERVICE FOR COMPRESSION ON CUSTOMER'S PREMISES
(Continued)

SPECIAL CONDITIONS

1. Gas service under this schedule is not available unless accompanied by a signed contract for a minimum of one year as the precedent to service under this schedule, and said contract shall continue in force and effect from year to year thereafter until either the Utility or the customer shall give the other written notice of a desire to terminate the same at least 30 days prior to the expiration of any such year. If the customer permanently ceases operation, such contract shall not thereafter continue in force.
2. 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 Gas Tariff.

RULES AND REGULATIONS

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

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Schedule No. G-60

ELECTRIC GENERATION GAS SERVICE

APPLICABILITY

Applicable to gas service to electric generation customers. This schedule is available for only the electric generation portion of the customer's gas purchases.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is the charge under the customer's otherwise applicable gas sales tariff schedule. The basic service charge and the commodity charge are set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and are incorporated herein by reference.

MINIMUM CHARGE

The minimum charge per meter is the basic service charge.

SPECIAL CONDITIONS

1. Gas service under this schedule is not available unless accompanied by a signed contract for a minimum of one year as the precedent to service under this schedule, and said contract shall continue in force and effect from year to year thereafter until either the Utility or the customer shall give the other written notice of a desire to terminate the same at least 30 days prior to the expiration of any such year. If the customer permanently ceases operation, such contract shall not thereafter continue in force.
2. Gas service under this schedule is not available for "standby" or occasional temporary service.
3. 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.

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Arizona Gas Tariff No. 7
Arizona Division

Canceling Second Revised A.C.C. Sheet No. 41
First Revised A.C.C. Sheet No. 41

Schedule No. G-60

ELECTRIC GENERATION GAS SERVICE
(Continued)

PURCHASED GAS ADJUSTMENT CLAUSE

The charges specified for this schedule are subject to increases or decreases in the cost of gas purchased by the Utility. Such change shall be reflected in the commodity charge of the currently effective tariff rates as shown on A.C.C. Sheet No. 12 of this Arizona Gas Tariff.

RULES AND REGULATIONS

The standard Rules and Regulations of the Utility as authorized by the Commission shall apply where consistent with this schedule. Gas service under this schedule is not available for "standby" or occasional temporary service.

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Schedule No. G-80

NATURAL GAS ENGINE GAS SERVICE

APPLICABILITY

Applicable to gas service to all customers using gas for fuel in internal combustion engines for pumping water for agricultural irrigation purposes, domestic, municipal, electric generation (excluding utility electric generation) or other mechanical purposes.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

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

MINIMUM CHARGE

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

SPECIAL CONDITIONS

1. All gas shall be supplied at a single point of delivery and measured through one meter. No other equipment may be supplied through this meter.
2. 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 charges specified for this schedule are subject to increases or decreases in the cost of gas purchased by the Utility. Such change shall be reflected in the commodity charge of the currently effective tariff rates as shown on A.C.C. Sheet No. 13 of this Arizona Gas Tariff.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

1. AVAILABILITY

This schedule is available to any customer for transportation of natural gas by the Utility from any existing interconnection between the Utility and EL Paso Natural Gas Company (herein called Receipt Point) to the Delivery Point(s) on the Utility's system under the following conditions:

- 1.1 The Utility has available capacity to render the requested service without construction of any additional facilities, except as provided by Section 8 hereof;
- 1.2 The customer has demonstrated to the Utility's satisfaction in accordance with Section 6.8(d) hereof, the assurance of natural gas supplies and third-party transportation agreements with quantities and for a term compatible with the service being requested from the Utility. Except for customers otherwise served under Schedule No. G-55, service under this schedule is limited to:
(a) customers whose average monthly requirements at one of the customer's premises on an annual basis are no less than 15,000 therms, and
(b) customers whose average monthly requirements at one of the customer's premises during the months of May through September are no less than 15,000 therms. Projected transportation quantities for customers otherwise served under Schedule No. G-55 shall not be less than 50,000 therms annually at one of the customer's premises.
- 1.3 The customer and the Utility have executed a service agreement for service under this schedule. A single service agreement may provide for service to any or all of the customer's separate premises, provided that all of the premises are under common ownership.

2. APPLICABILITY AND CHARACTER OF SERVICE

This schedule shall apply to gas transported by the Utility for customer pursuant to the executed service agreement.

- 2.1 The basic transportation service rendered under this schedule shall consist of:
(a) The receipt by the Utility for the account of the customer of the customer's gas at the Receipt Point;

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

3. RATES

3.1 The customer shall pay the Utility monthly the sum of the following charges:

- (a) Basic Service Charge. The basic service charge as set forth in the currently effective Statement of Rates of this Arizona Gas Tariff for each meter included in the transportation service agreement. Customers receiving service under contract rates shall pay the basic service charge as set forth in the customer's service agreement.
- (b) Demand Charge. The monthly demand charge, if applicable, shall be the product of the demand charge rate set forth in the currently effective Statement of Rates of this Arizona Gas Tariff, multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12-month period, ending the month prior to the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.
- (c) Volume Charge: The Commodity Charge per Therm less the Monthly Gas Cost of the Currently Effective Tariff Rate as set forth in the Statement of Rates of this Arizona Gas Tariff for each meter included in the transportation service agreement, plus an amount for distribution shrinkage as defined in Rule No. 1 and set forth in the Statement of Rates, Sheet No. 13 of this Arizona Gas Tariff. The amount collected for distribution shrinkage shall be recorded in the Gas Cost Balancing Account.
- (d) Gas Cost Balancing Account Adjustment: 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 and amounts collected shall be recorded in the Gas Cost Balancing Account.
- (e) Any applicable imbalance charges as specified in Section 7 of this schedule.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

3. RATES (Continued)

The Utility may adjust from time to time the applicable unit transportation rate to any individual customer, provided, however, that such adjusted rate shall not exceed the applicable charges as specified in Section 3.1 above.

In addition to the above charges and any applicable imbalance charges, the Utility shall include on the customer's bill any charges from upstream pipeline transporters or suppliers which have been incurred by the Utility because of the transportation service rendered for the customer under this schedule.

3.2 Any customer served under this schedule who requests service under a sales schedule will be permitted to change schedules to the extent that the Utility is able to procure additional gas supply to serve the customer's incremental sales volumes without adversely affecting existing sales customers. Upon switching from transportation to sales service, the customer's gas cost component of the customer's commodity charge per therm will be determined as follows:

(a) Any customer served under this schedule who switches to a gas sales schedule will be billed the higher of the following charges for the gas cost component of the customer's commodity charge per therm for a period of 12 months:

(i) The Monthly Gas Cost component of the currently effective tariff rate contained in the customer's applicable sales schedule as stated in the Statement of Rates; or

(ii) The incremental cost of gas procured by the Utility to serve the customer's additional sales volumes, including an upstream capacity charge.

After the conclusion of the initial 12-month period of receiving sales service, the customer shall be billed at the Currently Effective Tariff Rate.

3.3 The charges specified for this schedule are subject to adjustment for the applicable proportionate part of any taxes, assessments or governmental impositions assessed on the Utility.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

4. MINIMUM CHARGE

The minimum charge per month is the basic service charge per month per meter and the demand charge per month per meter, if applicable.

5. FORCE MAJEURE

5.1 Relief From Liability: Neither party shall be liable in damages to the other on account of "force majeure" occasioned by any act, omission or circumstances occasioned by or in consequence of any act of God, strikes, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, depletion of or temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or not, and not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to settle or prevent any strikes or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

5.2 Liabilities Not Relieved: Neither the customer nor the Utility shall be relieved from liability in the event of its concurring negligence or failure on its part to use due diligence to remedy the force majeure and remove the cause with all reasonable dispatch, nor shall such causes or contingencies affecting performance of any agreement relieve either party from its obligations to make payments when due in respect of gas theretofore delivered.

SOUTHWEST GAS CORPORATION

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Arizona Gas Tariff No. 7

Arizona Division

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Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

- (g) If, as the result of a billing error, metering error, or adjustments of scheduled supply, a customer trades an incorrect imbalance quantity based on notification by the Utility, the Utility will not be liable for any financial losses or damages incurred by customer nor will the Utility be financially liable to any of the customer's imbalance trading partners. If, as a result of such error, the Utility overbills the customer, the Utility shall refund the difference without interest. If the Utility underbills the customer, the customer shall be liable for the undercharge, including any associated excess imbalance charges. For purposes of determining imbalances and any applicable charges hereunder, the Utility will include billing adjustments to the volume in prior periods as part of the current month's activity. Trades occurring in prior periods will not be affected by such billing adjustments.

7.2 Payment for Excess Imbalances

Customers will be assessed imbalance charges if, an imbalance exists in excess of applicable daily or monthly operating windows set forth in Section 6.9 hereof. (Monthly imbalances will be adjusted to reflect imbalance trading activity before assessing any imbalance charge.) The customer's daily imbalance is defined as the difference between the customer's daily metered quantities and the sum of the customer's daily scheduled transportation quantity plus any Utility-approved daily imbalance adjustment quantity. The customer's monthly imbalance is defined as the difference between the customer's total monthly metered quantity, including the effect of any adjustment for cycle billing of the customer's meters and the customer's total monthly scheduled transportation quantity. The portion of any imbalance quantity established by a customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. In addition to the charges payable under this schedule and the customer's otherwise applicable sales schedule, any monthly excess imbalance quantity shall be billed as follows:

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

7.2 Payment for Excess Imbalances (Continued)

(a) Positive Excess Imbalance

When the customer's scheduled transportation quantity (plus any approved daily imbalance adjustment quantity for daily imbalances) exceeds the customer's metered quantity by more than the applicable daily or monthly operating window, the excess imbalance shall be retained by the Utility and the excess imbalance eliminated after the customer's bill is credited with any respective unit transportation rate assessments plus the lower of the following two gas costs for each term retained:

- (i) Fifty percent (50%) of the Monthly Gas Cost component contained in the customer's otherwise applicable sales schedule as stated in the Statement of Rates, excluding the currently effective Gas Cost Balancing Account Adjustment; or
- (ii) The lowest incremental cost of gas, including all upstream interstate transportation charges, purchased by the Utility during the same month.

(b) Negative Excess Imbalance

When the sum of the customer's scheduled transportation quantity (plus any approved daily imbalance adjustment quantity for daily imbalances) is less than the customer's metered quantity by more than the applicable daily or monthly operating window, the excess imbalance shall be eliminated after the customer is billed the higher of the following two gas costs for each term of the excess imbalance in addition to the customer's applicable transportation volume charge:

- (i) One hundred-fifty percent (150%) of the Monthly Gas Cost component contained in the customer's otherwise applicable sales schedule as stated in the Statement of Rates, excluding the currently effective Gas Cost Balancing Account Adjustment; or

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

7. TRANSPORTATION IMBALANCE SERVICE (Continued)

(ii) The weighted average cost of gas for the highest incremental purchases during the same month. The average will be determined by first weighting the highest priced gas purchased by the Utility during the month by the number of therms purchased at that price. The total therms to be allocated in this manner are equivalent to the total number of negative excess imbalance therms to be cashed out for the month. The weighted average cost of gas will also include any applicable upstream interstate transportation charges, such as fuel and variable transportation charges. A charge equal to the Utility's monthly average interstate transportation reservation cost is also included in the weighted average cost of gas.

7.3 Subject to mitigation through imbalance trading, if a customer is assessed an imbalance charge based on Utility billing information that is later determined to be in error, the portion of the imbalance charge not assessable based on the corrected billing information shall be reversed on the customer's bill without interest. If a customer is not assessed an imbalance charge based on Utility billing information that is later determined to be in error, the customer shall be billed for any applicable imbalance charges determined to be assessable based on the revised billing information. The original negative imbalance charge rate that is calculated for the applicable month will be used in any subsequent billings.

7.4 Should a customer elect to discontinue taking service under this schedule and change to a sales service schedule, the Utility may allow, in its sole good faith judgment, any remaining imbalance within the applicable operating window to be cleared as follows:

- (a) The Utility shall credit the customer for any positive imbalance quantity at a price equal to the lowest incremental cost of gas purchased by the Utility during the prior month for gas delivered to the Utility within the state of Arizona.
- (b) For any remaining negative imbalance quantity, the customer shall pay the Utility for the imbalance quantity at the otherwise applicable gas sales tariff rate excluding the Gas Cost Balancing Account Adjustment.
- (c) The customer may trade any remaining imbalance pursuant to this section; however, if a customer does not enter into a trade for any remaining imbalance quantity, the Utility will clear the remaining imbalance by utilizing paragraph (a) or (b) above, as applicable.

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Arizona Division

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SOUTHWEST GAS CORPORATION
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Arizona Division

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Second Revised A.C.C. Sheet No. 76

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SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision shall apply to all schedules except for Schedule Nos. G-30 and G-80 of this Arizona Gas Tariff.

CHANGE IN RATES

The Monthly Gas Cost (MGC) rate for schedules covered by this provision includes the sum of the rolling twelve-month average purchased gas (PGA) rate plus the Gas Cost Balancing Account Adjustment, if applicable. Monthly adjustments will be made to the MGC to reflect the most currently available PGA rate. In accordance with Decision No. 68487, the PGA rate included in the MGC rate cannot be more than \$.13 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 Monthly Gas Cost Rate as set forth on Sheet Nos. 11 and 12 of this Arizona Gas Tariff by the therms billed during the month under the applicable schedules of this Arizona Gas Tariff.
2. A debit or credit entry for refunds or payments authorized by the Commission.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the one-year nominal Treasury constant maturities rate.

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Arizona Division

Canceling Second Revised A.C.C. Sheet No. 88
First Revised A.C.C. Sheet No. 88

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 current month's MGC rate.

ADDITIONAL REQUIREMENTS

A special review is required if the Gas Cost Balancing Account (GCBA) reaches an over- or under-collection in the amount of \$29.2 million. The Utility must file an application for a Gas Cost Balancing Account 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 an adjustment is not necessary at this time. The Commission, upon review, may authorize the balance to be amortized through a predetermined rate included as part of the MGC for a specified period.

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Arizona Gas Tariff No. 7

Arizona Division

Canceling Second Revised A.C.C. Sheet No. 89
First Revised A.C.C. Sheet No. 89

**SPECIAL SUPPLEMENTARY TARIFF
GAS RESEARCH FUND (GRF)**

APPLICABILITY

Applicable to all gas delivered by the Utility to all sales customers except those served under Rate Schedule Nos. G-30 and B-1.

RATES

The unit GRF rate is set forth in the currently effective Statement of Rates, Footnote 3(c), of Sheet No. 13 of this Arizona Gas Tariff and is incorporated herein by reference.

CHANGES IN RATES

Rates applicable to each schedule of this Arizona Gas Tariff subject to this provision shall be adjusted for changes in the GRF Balancing Account's balance in accordance with the rate adjustment provisions hereof such that the Utility will be reimbursed annual payments to GRF of \$688,712.

ADJUSTMENT DATE

The GRF rate shall be updated annually effective May 1.

RATE ADJUSTMENT PROVISIONS

Calculation of the GRF rate shall include:

1. An annual payment of \$688,712.
2. The amounts accumulated in the GRF Balancing Account at the end of the latest available recorded month prior to the applicable Adjustment Date.
3. The sum of paragraphs (1) and (2) above divided by the most recent 12 month's applicable sales volumes shall be the GRF Rate Adjustment.

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SPECIAL SUPPLEMENTARY TARIFF
LOW INCOME RATE ASSISTANCE (LIRA) RATE ADJUSTMENT PROVISION

APPLICABILITY

Applicable to all gas delivered by the Utility to all customers served under Schedule Nos. G-5, G-6 and G-20.

RATES

The unit LIRA rate adjustment is set forth in the currently effective Statement of Rates, Footnote 3(a), of Sheet No. 13 of this Arizona Gas Tariff and is incorporated herein by reference.

CHANGES IN RATES

Rates applicable to each schedule of this Arizona Gas Tariff subject to this provision shall be adjusted for changes in the LIRA Balancing Account's balance in accordance with the rate adjustment provisions hereof such that the Utility will be reimbursed for all LIRA discounts, plus interest and administrative expenses.

ADJUSTMENT DATE

The LIRA rate adjustment shall be updated annually effective May 1.

RATE ADJUSTMENT PROVISIONS

Calculation of the LIRA rate adjustment shall include:

1. The LIRA program benefits provided during the prior winter season (November through April).
2. Incremental administrative and general expenses associated with the LIRA program.
3. The amounts accumulated in the LIRA Balancing Account as described below at the end of the latest available recorded month prior to the applicable Adjustment Date.
4. The sum of paragraphs (1), (2), and (3) above divided by the most recent 12 month's applicable sales volumes shall be the LIRA rate adjustment amount.

RULE NO. 1

DEFINITIONS

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

Advance in Aid of Construction:	Funds provided to the Utility by an applicant for service under the terms of a main extension agreement, the amount of which may be refundable.
Agent:	Any party a customer may contract with for purposes of administering the customer's service agreement with the Utility excluding the right for the Agent to be billed directly by the Utility. An Agent has only those rights designated in writing by such customer for the effective time period,
Alternate Fuel Capability:	A situation where an alternate fuel can be utilized whether or not the facilities for such use have actually been installed.
Applicant:	A person requesting the Utility to supply natural gas service.
Application:	A request to the Utility for natural gas service, as distinguished from an inquiry as to the availability or charges for such service.
Arizona Corporation Commission:	The regulatory authority of the State of Arizona having jurisdiction over the public service corporations operating in Arizona.
Average Month:	30.4 days.
Base Gas Supply:	Natural gas purchased by the Utility from its primary supplier.
Basic Service Charge:	A fixed amount a customer must pay the Utility for the availability of gas service, independent of consumption, as specified in the Utility's tariffs.
Billing Month:	The period between any two regular readings of the Utility's meters at intervals of approximately 30 days.
Billing Period:	The time interval between two consecutive meter readings that are taken for billing purposes.

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RULE NO. 1

DEFINITIONS
(Continued)

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.
Electronic Transfer:	Paperless exchange of data and/or funds.
Essential Agricultural Use:	Any use of natural gas which is certified by the Secretary of Agriculture as an "essential agricultural use."
Essential Industrial Process and Feedstock Uses:	Any use of natural gas by an industrial customer as "process gas" or as feedstock, or gas used for human comfort to protect health and hygiene in an industrial installation.
Excess Flow Valve:	A device designed to restrict the flow of gas in a customer's natural gas service line by automatically closing in the event of a service line break, thus mitigating the consequences of service line failures.
Expedited Service:	Service that is generally performed on the same workday the request for service is made. There may be instances where Company scheduling will not permit same day service. Service is considered to be expedited when an order is scheduled any day prior to the next available work date.
Farm Tap:	A service connection from a company distribution or transmission line operating at higher than normal distribution pressure, thereby requiring regulation and/or pressure limiting devices before the customer can be served.
Feedstock Gas:	Natural gas used as a raw material for its chemical properties in creating an end product.

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RULE NO. 1

DEFINITIONS

(Continued)

Inability to Pay

Circumstances where a residential customer:

1. Is not gainfully employed and unable to pay, or
2. Qualifies for government welfare assistance, but has not begun to receive assistance on the date that he receives his bill and can obtain verification from the government welfare assistance agency, or
3. Has an annual income below the published federal poverty level and can produce evidence of this, and
4. Signs a declaration verifying that he meets one of the above criteria and is either elderly, handicapped, or suffers from an illness.

Industrial Boiler Fuel:

Natural gas used in a boiler as a fuel for the generation of steam or electricity.

Industrial Customer:

A customer who is engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, excluding electric power generation.

Intra-day Nomination:

A Nomination submitted after the nominating deadline for Daily and Standing Nominations specified in Section 6.1 of Schedule T-1 which has an effective time no earlier than the beginning of the next Gas Day, and which has an ending time no later than the end of that Gas Day.

RULE NO. 1

DEFINITIONS

(Continued)

Inter-Divisional Capacity Transfer:	A mechanism by which the unused off-peak interstate capacity of one of the Utility's divisions is utilized by another of the Utility's divisions to procure and transport otherwise inaccessible economically priced gas. The division owning the off-peak capacity receives benefit in the form of credits to its Gas Cost Balancing Account. The division utilizing the off-peak capacity receives benefit through reduction in its purchased gas costs.
Input Rating:	The number of Btus specified on the appliance rating tag needed to operate the appliance. Normally expressed in Btus per hour.
Irrigation Customer:	Where natural gas is utilized by internal combustion engines for agricultural irrigation purposes.
Law:	A rule or rules as established and enforced by government authorities.
Main Extension:	The addition of pipe to an existing main to provide service to new customers.
Margin:	The currently effective commodity delivery charges multiplied by the units of gas used plus the basic service charge is the margin.
Master Meter Customer:	A customer who receives gas at a central point and distributes said gas through a piping system not owned and operated by the Utility to tenants or occupants for their individual consumption.
Mcf:	One thousand (1,000) cubic feet.

RULE NO. 1

DEFINITIONS
(Continued)

Meter:	The instrument for measuring and recording the volume of natural 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.
Minimum Charge:	The amount the customer must pay for the availability of gas service as specified in the Utility's tariffs.
Mobile Home:	A residential unit designed and built to be towed on its own chassis. It is without a permanent foundation and is designed for year-round living.
Monthly Operating Window:	A transportation operating constraint governing the allowable monthly difference between the customer's metered quantities and the sum of the customer's scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity. The Monthly Operating Window requires such difference to be within plus or minus 5 percent ($\pm 5\%$) of the month's total of daily scheduled transportation quantities, plus any Utility-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater.
Mountain Clock Time (MCT):	Mountain Standard Time or Mountain Daylight Time, whichever is currently in effect in the majority of the Mountain Time Zone, regardless of which time the State of Arizona is operating under.
Multi-Family Residential:	Any structure where more than one permanent residential dwelling receives the benefits of natural gas service through individual meters.
Off-Peak Irrigation Season:	The six-month period beginning October 1 and ending March 31.
Operating Day:	The 24-hour period beginning 7:00 a.m. Mountain Standard Time.

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RULE NO. 1

DEFINITIONS
(Continued)

Ownership:	The legal right of possession or proprietorship of the premise(s) where service is established.
Peak Day:	Maximum daily consumption as determined by the best practical method available.
Peak Irrigation Season:	The six-month period beginning April 1 and ending September 30.
Permanent Customer:	A customer who is a tenant or owner of a service location who applies for and receives natural gas service in a status other than transient, temporary or agent.
Permanent Service:	Natural gas service which, in the opinion of the Utility, is of a permanent and established character. The use of gas may be continuous, intermittent or seasonal in nature.
Person:	Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
Plant Protection Gas:	Minimum natural gas volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.
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)

- Police Protection Uses: Natural gas used by law enforcement agencies in the performance of their appointed duties.
- Preemption of Gas Supply: An emergency condition where the Utility may, under specified conditions, utilize the customer-owned gas supplies of low priority transportation customers to serve the requirements of higher priority transportation and sales customers.
- 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.
- Process Gas: Natural gas use for which alternate fuels are not technically feasible, such as in applications requiring precise temperature controls and precise flame characteristics. For the purpose of this definition, propane and other gaseous fuels shall not be considered alternate fuels.
- 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 Subdivision: Any tract of land which has been divided into four or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.
- Residential Use: Service to customers using natural 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.

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RULE NO. 1

DEFINITIONS
(Continued)

Service Line:	A natural gas pipe that transports gas from a common source of supply (normally a distribution main) to the customer's 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 natural gas service each time the service is disconnected for nonpayment or whenever service is discontinued for failure to comply with the Utility's tariffs.
Service Reestablishment Charge:	A charge as specified in the Utility's tariffs for service at the same location where the same customer had ordered a service disconnection within the preceding 12-month period.
Shrinkage:	The cost of the gas volumes lost, unaccounted for, or used as company fuel in the transportation process and represented by the differential between the cost of gas on a sales basis and the cost of gas on a purchased basis.
Single-Family Residential:	A detached house or any other permanent single-family residential dwelling that receives the benefits of natural gas service through an individual meter.
Southwest Vista:	An Electronic Bulletin Board service for subscribing users with computers and modems to dial up over telephone lines and access the many features available. The bulletin board is a communication tool that can support many users simultaneously.

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Rule No. 3

ESTABLISHMENT OF SERVICE

A. INFORMATION FROM APPLICANTS

1. The Utility may request the following minimum information from each new applicant for service:
 - a. Name or names of applicant(s), including information regarding co-applicant(s).
 - b. Identification that is acceptable to the Utility.
 - c. Service address or location and telephone number.
 - d. Billing address or location and telephone number, if different than service address.
 - e. Address where service was provided previously.
 - f. Date applicant will be ready for service.
 - g. Indication of whether premises have previously been supplied with the Utility's service.
 - h. Purpose for which service is to be used.
 - i. Indication of whether applicant is owner or tenant of or agent for the premises.
 - j. Information concerning the natural gas usage and demand requirements of the customers so as to determine which tariff schedule is applicable.
 - k. Type and kind of life-support equipment, if any, used by the customer.
 - l. Third party notification. If an applicant or customer who is elderly and/or handicapped lists a third party whom they wish notified in the event that their service is scheduled for discontinuance in accordance with Rule No. 10, such third party's name, address and telephone number shall be noted on the application for service.

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Rule No. 3

ESTABLISHMENT OF SERVICE
(Continued)

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS (Continued)

a. Residential (Continued)

(2) When credit cannot be established to the satisfaction of the Utility, the applicant will be required to:

- (a) Pay the deposit amount billed by the date specified on the bill or make acceptable payment arrangements, or
- (b) Place a deposit utilizing cash or an acceptable credit card to secure payment of bills for service as prescribed herein, or
- (c) Provide a surety bond acceptable to the Utility in an amount equal to the required deposit.

b. Nonresidential

(1) The Utility shall not require a deposit from a new applicant for nonresidential service if the applicant has had service of a comparable nature within the preceding 24 months at another service location with Southwest Gas and a satisfactory payment history was established.

(2) When a deposit is required from a new applicant for nonresidential service, the applicant will be required to:

- (a) Pay the deposit amount billed by the date specified on the bill or make acceptable payment arrangements, or
- (b) For amounts not exceeding five thousand dollars (\$5,000), place a deposit utilizing cash or an acceptable credit card to secure payment of bills for service as prescribed herein, or
- (c) Furnishes a surety bond, letter of credit, or other means acceptable to the Utility for payment to the Utility in an amount equal to the required deposit.

2. Reestablishment of Credit

a. Former Customers with an Outstanding Balance

Rule No. 3

ESTABLISHMENT OF SERVICE
(Continued)

B. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT/DEPOSITS (Continued)

3. Deposits (Continued)

- (1) Residential customer deposits shall not exceed two times the customer's estimated average monthly bill.
 - (2) Nonresidential customer deposits shall not exceed two and one-half times the customer's estimated maximum monthly bill.
- b. The Utility may bill the customer for any required deposit amount provided that credit and payment arrangements have been made according to the Utility's policy and procedures.
- c. Applicability to Unpaid Accounts
- Deposits and interest prescribed herein will be applied to unpaid bills owing to the Utility when service is discontinued or terminated, or in the event the customer declares bankruptcy or becomes otherwise insolvent.
- d. Refund of Deposits
- (1) Upon discontinuance of service, the Utility will refund any balance of the deposit, plus applicable interest, in excess of unpaid bills. The Utility will return any credit balance by check to the last known customer address.
 - (2) After a residential customer has, for 12 consecutive months, paid all bills without being delinquent more than twice, the Utility shall refund the deposit with earned interest within 30 days.
 - (3) After a nonresidential customer has, for 24 consecutive months, paid all bills prior to the next regular billing, the Utility shall refund the deposit with earned interest within 30 days.
 - (4) In the case of refunding a deposit which has been made by an agency from the Utility Assistance Fund (Fund) established by A.R.S. 46-731 to provide assistance for eligible customers, such deposit shall be refunded to the Fund. The standard Rules and Regulations of the Utility as authorized by the Arizona Corporation Commission shall apply to these refunds.

Rule No. 3

ESTABLISHMENT OF SERVICE
(Continued)

C. GROUND FOR REFUSAL OF SERVICE (Continued)

- d. Customer is known to be in violation of the Utility's tariffs filed with and approved by the Commission.
- e. Failure of the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the Utility as a condition for providing service.
- f. Applicant falsifies his or her identity for the purpose of obtaining service.
- g. Where service has been discontinued for fraudulent use, in which case Rule No. 11 will apply.
- h. If the intended use of the service is for any restricted apparatus or prohibited use.

2. Notification to Applicants or Customers

When an applicant or customer is refused service or service has been discontinued under the provisions of this rule, the Utility will notify the applicant or customer of the reasons for the refusal to serve and of the right of applicant or customer to appeal the Utility's decision to the Commission.

D. SERVICE ESTABLISHMENT, REESTABLISHMENT OR RECONNECTION

- 1. To recover the operating and clerical costs, the Utility shall collect a service charge whenever service is established, reestablished or reconnected as set forth and referred to as "Service Establishment Charge" in the currently effective Statement of Rates, A.C.C. Sheet No. 15 of this Arizona Gas Tariff. This charge will be applicable for (1) establishing a new account, (2) reestablishing service at the same location where the same customer had ordered a service disconnection, or (3) reconnecting service after having been discontinued for nonpayment of bills or for failure to otherwise comply with filed rules or tariff schedules.

Rule No. 6

SERVICE AND MAIN EXTENSIONS
(Continued)

D. RESIDENTIAL AMORTIZATION PROGRAM (Continued)

3. The ability of the Utility to recover its allowable investment over the life of the facilities.

If the Utility, after receiving a request from a qualified group of ten or more direct residential customers, declines to offer amortization of the project's line extension expense, the Utility shall submit details of the project to the Utilities Division of the Commission for review.

The amortization period of the aforementioned contract shall not exceed five years. The customer's contribution toward the line extension project shall constitute the principal of the contract. The customer will reimburse the Utility for its share of the principal by means of a monthly amortization charge. The customer's monthly amortization charge shall be determined by dividing the contract's principal by the product of: (a) the number of months over which the customer contribution is amortized, and (b) the number of customers projected to be served by the line extension project. If the monthly amortization charge is greater than the amount of the average monthly bill for residential service under Schedule No. G-5, the Utility shall submit details of the proposed project to the Utilities Division of the Commission for review. The monthly amortization charge shall appear on the customer's monthly bill for service. All monthly amortization charge revenues shall be used to reimburse the Utility for the capital cost in excess of the free allowance. If a customer that is a party to such a contract should disconnect service, and later reconnect at the same service address, the customer shall pay the Utility the sum of any unpaid monthly amortization charges accrued during the period of disconnection, plus the applicable Service Establishment Charge, before service shall be reestablished.

The Utility may permit additional customers to enter into line extension contracts, when servicing such customers requires connection to a line extension that is already subject to such contracts. Such additional customers shall, in addition to any incremental connection costs, pay the monthly amortization charge provided in the contract until such contract expires. The monthly amortization charge in the final month of the amortization period shall be adjusted, to account for any change in the estimated number of customers, such that the sum of charges paid over the term of the contract equals the principal.

RULE NO. 9

BILLING AND COLLECTION
(Continued)

K. EQUAL PAYMENT PLAN

1. The Equal Payment Plan (EPP) is available to all residential customers receiving (or applicants qualifying and applying to receive) natural gas service 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. Credit 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 Rule No. 10 for nonpayment of a bill.

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