

**SPECIAL SUPPLEMENTARY TARIFF
DELIVERY CHARGE ADJUSTMENT**

APPLICABILITY

The Delivery Charge Adjustment (DCA) applies to residential Rate Schedule Nos. G-5, G-6, G-10 and G-11 and to General Service Schedule Nos. G-25(Small), G-25(Medium), G-25(Large-1) and G-25(Large-2) included in this Arizona Gas Tariff. The DCA specifies the accounting procedures and rate setting adjustments necessary to assure the Utility neither over-recovers, nor under-recovers, the margin-per-customer amounts authorized in its most recent general rate case proceeding.

CHANGE IN RATES

Annually, the DCA surcharge will adjust to recover or refund any differences between the Utility's billed margin and the margin amounts authorized in its most recent general rate case proceeding. The process is set forth below.

1) **BALANCING ACCOUNT**

The Utility shall maintain accounting records that accumulate the difference between authorized and actual billed margin. Entries shall be recorded to the DCA Balancing Account (DCABA) each month as follows:

- A. A debit or credit entry equal to the difference between authorized margin and actual billed margin for each rate schedule subject to this provision. Authorized margin is the product of the monthly margin-per-customer authorized in the Utility's last general rate case, as stated below, and the actual number of customers billed during the month.

	<u>G-5</u>	<u>G-6</u>	<u>G-10</u>	<u>G-11</u>
January	\$61.78	\$36.50	\$59.01	\$41.58
February	\$54.27	\$33.70	\$52.66	\$37.94
March	\$44.48	\$29.65	\$41.84	\$32.15
April	\$33.29	\$25.52	\$31.21	\$26.64
May	\$27.03	\$23.00	\$25.04	\$23.47
June	\$26.23	\$22.63	\$24.25	\$23.31
July	\$24.35	\$21.29	\$22.58	\$21.75
August	\$23.39	\$20.65	\$21.71	\$21.01
September	\$23.90	\$20.99	\$22.05	\$21.28
October	\$24.93	\$21.39	\$22.85	\$21.62
November	\$27.25	\$22.77	\$25.66	\$23.24
December	\$46.03	\$30.50	\$44.24	\$33.42

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(Continued)

	<u>G-25(S)</u>	<u>G-25(M)</u>	<u>G-25(L1)</u>	<u>G-25(L2)</u>
January	\$78.79	\$255.96	\$964.75	\$3,942.91
February	\$70.59	\$240.53	\$901.62	\$3,695.79
March	\$60.41	\$210.10	\$788.99	\$3,626.12
April	\$47.54	\$181.09	\$705.00	\$3,158.81
May	\$43.01	\$160.90	\$615.57	\$2,809.10
June	\$42.71	\$155.98	\$577.62	\$2,654.47
July	\$41.14	\$142.88	\$502.22	\$2,227.79
August	\$40.51	\$139.27	\$479.03	\$2,138.77
September	\$40.81	\$143.93	\$496.79	\$2,217.87
October	\$41.30	\$150.85	\$539.06	\$2,396.08
November	\$43.29	\$164.79	\$618.71	\$2,853.17
December	\$60.25	\$218.01	\$834.59	\$3,539.33

- B. A debit or credit entry equal to the terms billed during the month under the schedules subject to this provision multiplied by the DCA surcharge rate.
- C. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the monthly one-year nominal Treasury constant maturities rate.

2) RATE ADJUSTMENT

The DCA Rate Adjustment applicable to each schedule subject to this provision shall be revised annually to reflect the difference between the margin-per-customer authorized in the Utility's last general rate case and the margin billed. The DCA Rate Adjustment will be calculated by dividing the balance in the DCABA by the most recent 12-month volume of natural gas for the applicable rate schedules.

3) AMOUNTS RECOVERED AND REFUNDED

Over-collected or under-collected balances in the DCABA will be refunded over the next amortization period.

4) TIMING AND MANNER OF FILING

The Utility shall file its DCA Rate Adjustment revisions with the Commission in accordance with all statutory and regulatory requirements. The DCA Rate Adjustment shall be effective on the date of the first bill cycle in the month following the Commission's approval unless otherwise provided for by the Commission.

SOUTHWEST GAS CORPORATION

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Arizona Gas Tariff No. 7

Arizona Division

Canceling 5th, 4th, 2nd Revised
4th, 3rd, 1st Revised

A.C.C. Sheet No. 94,95-96,97-103

A.C.C. Sheet No. 94,95-96,97-103

HELD FOR FUTURE USE

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Issued by
Justin Lee Brown
Vice President

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