



**UNS Gas, Inc.**

Original Sheet No.: 701  
Superseding: \_\_\_\_\_

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**Rider R-1  
Purchased Gas Adjustment (PGA)**

**APPLICABILITY**

To all Company rates, unless otherwise specified.

**CHANGE IN RATE**

UNS Gas Rates shall include a Cost of Natural Gas Charge ("CNGC") which recovers the cost of gas (natural, manufactured or in any approved form) purchased by UNS Gas on behalf of its customer. The cost of natural gas shall include all costs (demand, energy, customer-related and other) of the physical gas commodity and all costs assessed to facilitate transportation and delivery of gas on a firm basis and at an appropriate pressure (unless otherwise specified by tariff or contract) to UNS Gas, including but not limited to carrying and other costs not elsewhere recovered. The CNGC consists of the Purchased Gas Adjustment ("PGA") rate and any surcharge or credit authorized by the Arizona Corporation Commission ("ACC") for recovery or refund of previous gas costs. The CNGC shall be subject to increases or decreases by the amount of the PGA which is based on the rolling twelve (12) month average of actual purchased gas costs and sales. The ACC has banded the PGA change so that the new PGA calculated for the month cannot be more than \$0.15 per therm different than the PGA rate in effect during any of the preceding twelve (12) months, unless authorized by the ACC.

**BANK BALANCE**

The Company shall maintain an account to assure that it will neither over nor under collect, except to the extent authorized, as a result of adjustment in rates determined under the operation of this rate. Entries shall be made monthly to reflect the amounts paid to suppliers for gas as recorded in the Federal Energy Regulatory Commission series of accounts numbered 800 through 806, less the cost of such gas (adjusted volumes multiplied by the CNGC). Interest will be applied to over and under collected bank balances based on the three (3) month commercial financial paper rate for each month, contained in the Federal Reserve Statistical Release, H-15, or its successor publication.

**MONTHLY INFORMATION FILINGS**

Each month, the Company shall make a cost of gas information filing that shall include gas volumes and costs by supply source, supplier refunds, credits, billing adjustments, and lost and unaccounted for gas. Each filing shall include monthly sales revenues, volumes, and number of customers by class. The filing should also include historical summaries of actual twelve (12) month purchase gas volumes, costs and sales activity to support the computation of the monthly PGA rate, in the format required by Decision Nos. 61225 and 62994.

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Filed By: Dallas J. Dukes  
Title: Senior Director Pricing & Customer Analytics  
District: Entire UNS Gas Service Area

Rate: R-1  
Effective: May 1, 2012  
Decision No.: 73142



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**ADDITIONAL REQUIREMENTS**

Notification to the ACC is required if the PGA bank balance exceeds an over collection of \$10,000,000. The Company must file an application for an adjustment within forty-five (45) days of completing the monthly informational filing that illustrates the threshold has been exceeded or contact the ACC to discuss why a credit is not necessary at this time. If the PGA bank balance is under collected, the Company has the right to file an application with the ACC requesting a surcharge. The ACC, upon review, may authorize the balance to be amortized through the surcharge/credit as part of the CNGC for a specified period. Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or up to five percent (5.00%) of total annual throughput.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the ACC shall apply where not inconsistent with this rate.

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