

RULE NO. 1

DEFINITIONS

For the purposes of these tariff schedules, the terms and expressions listed below shall have the meanings set forth opposite them.

GENERAL

- Adult: A person 18 years of age or older.
- Agent: One who acts for or in place of a person by authority from that person.
- Aggregator: The designated Agent representing the interests of a group of core customers aggregating their loads for the purpose of qualifying for transportation service. (See Core Transport Agent.)
- Alternate Fuels: Nongaseous fuels; particularly excluding synthetic natural gas (SNG), liquefied natural gas (LNG), and liquid petroleum gas (LPG). Electricity shall not be considered as an alternate energy source for purposes of conversion.
- Applicant: A person or agency requesting the Company to supply gas service.
- Application: A request to the Company for gas service as distinguished from an inquiry as to the availability or charges for such service.
- Average Month: 30.4 days.
- Billing Period: The approximate monthly period between two consecutive monthly meter reading dates.
- Boiler Fuel: Gas used specifically to fire boilers, regardless of the end use of the steam produced.
- Branch Service: A service that is not connected to a gas main and has as its source of supply another service.
- British Thermal Unit: The quantity of heat that must be added to one avoirdupois pound of pure water to raise its temperature from 58.5EF. to 59.5EF. under standard pressure.

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GENERAL (Continued)

- Btu: British thermal unit.
- Burner Capacity: The capacity of a burner as evidenced by the name plate rating approved by the testing laboratories of the American Gas Association.
- Cogeneration: The sequential use of energy for the production of electrical and useful thermal energy. The sequence can be thermal use followed by power production or the reverse, subject to the following standards:
- (a) At least 5 percent of the facility's total annual energy output shall be in the form of useful thermal energy.
 - (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas and oil energy input.
- Commercial Use: Service to customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
- Commission: The Public Utilities Commission of the State of California.
- Company: Southwest Gas Corporation.

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Company's Operating of Convenience:	The term refers to the utilization, under certain circumstances facilities or practices not ordinarily employed which contribute to the over-all efficiency of the Company's operations; it does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities.
Connected Load:	The sum of the rated burner capacities of all of the customer's equipment that can be turned on at the same time.
Consumer Price Index:	The index as published in the Bureau of Labor Statistics applicable to the Company's Southern California Division.
Core Customer:	A customer whose end-use priority is P1 or P2-A as defined in Rule No. 21.
Core Transport Agent:	The designated Agent representing the interests of a group of core customers aggregating their loads for the purpose of qualifying for transportation service. (See Aggregator.)
Cumulative Imbalance:	For transportation customers, the difference between actual monthly deliveries and metered usage.
Curtailed Unit of Demand:	The unit of measurement of curtailment and equivalent to curtailment of one Unit of Demand.
Curtailement:	A condition where either a supply or capacity constraint interferes with normal deliveries of gas.
Curtailement Year:	The period October 1 of each year through September 30 of the next calendar year.

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Customer:	The person in whose name service is furnished as evidenced by the receipt and payment of bills regularly issued in his name regardless of the identity of the actual user of the service.
Customer-Owned Gas:	Gas transported by the Utility for customer's own use where title to such gas is held by the customer and is not a part of the Utility-owned system supplies.
Customer's Address:	The address specified by the customer in the request for service, or any other address subsequently given to the Company by the customer.
Daily Nomination:	A Nomination submitted to the Company for one or more Gas Days. Daily Nominations must be submitted at least one calendar day prior to the effective Gas Day, subject to the provisions outlined in Section C of Rule No. 22.
Date of Presentation:	The mailing date shown upon a bill or notice.
Distribution Main:	A pipeline installed for the purpose of distributing gas from a transmission main or high pressure distribution main to one or more customers. These facilities operate at or below 60 psig.
Elderly:	A person who is 62 years of age or older.
Electric Utilities Start-Up capability and Igniter Fuel:	Electric utility natural gas use where no alternate fuel exists for: (a) heating the boiler system adequately during start-up to enable efficient oil burning to meet pollution standards; and (b) ensuring continuous ignition and flame stabilization within the boiler.

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Electronic Bill/Statement:	A regular bill or statement that is presented to the customer electronically.
Electronic Billing:	Also referred to as "Paperless Billing." A billing option for eligible customers to elect to receive, view, and pay bills electronically for gas service.
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.
Especially Dangerous to Health:	Likely to cause serious impairment to the health of the customer or other permanent occupant as determined in writing by a licensed physician or public health official, based on the individual's illness, age or handicap, and the customer's proof of an inability to pay.
Family Dwelling Unit:	A group of rooms; such as a house, a flat, or an apartment which provides complete family living facilities in which the occupant normally cooks meals, eats, sleeps, and carries on the household operations incident to domestic life.
Feasible Alternate Fuel:	An alternate fuel (as defined herein) where conversion from natural gas to such alternate fuel is technologically possible and economically practicable for the customer in question.
Feedstock Use:	Natural gas used as raw material for its chemical properties in creating an end product.
Firm Industrial Gas Service:	Gas service to industrial customers for all purposes except directly for the cooking of meals, and normally not subject to (Non-Residential) curtailment.
Gas Day:	A period of 24 consecutive hours, except for those days that are adjusted for Daylight Savings Time, commencing and ending at 7:00 a.m. Pacific Clock Time (PCT). Clock Time indicates that the Company will adjust its Gas Day to reflect changes for Daylight Savings Time.

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Handicapped:	A residential customer who has been certified by a licensed physician as being physically or mentally disabled and such certification has been presented to the Company.
High Pressure Distribution Main:	A pipeline installed for the purpose of distributing gas from a transmission main to large groups of customers within a distribution center or to large volume customers. These facilities operate above 60 psig.
Housing Project:	A building or group of buildings located on a single premise and containing residential dwelling units for which master metering of gas service at one location has been requested.
Illness:	A medical ailment or sickness for which a residential customer obtains a verifiable document from a licensed physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the customer's health.
Inability to Pay:	A customer who (a) is not gainfully employed, (b) qualifies for welfare but is not as yet receiving moneys from the welfare agency and such agency is willing to pledge payment prior to or upon the next regular billing period, or (c) has an income below the stated federal poverty level, and/or (d) is only able to pay by installment, and (e) is willing to sign a declaration stating that he is qualified under one of the above.
Industrial Use:	Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including electric power generation.
Inter-Divisional Capacity Transfer:	A mechanism by which the unused off-peak interstate from 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

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Inter-Divisional Capacity Transfer: <i>(Cont.)</i>	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.
Intermittent Service:	Service which, in the opinion of the Company, is subject to discontinuance for a time or at intervals.
Interruptible Gas Service:	Industrial service subject to interruption or curtailment at times of shortage of gas.
Intra-day Nomination:	A Nomination submitted after the nominating deadline for Daily and Standing Nominations specified in Section C of Rule No. 22 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.
Main Extension:	The length of main and its related facilities required to transport gas from the existing facilities to the point of connection with the service piping.
Meter:	A meter and its related facilities, if necessary, such as regulators and valves.
Noncore Customer:	A customer whose end-use priority is P2-B, P3-A, P3-B, P4 or P5 as defined in Rule No. 21.
Nonprofit Group Living Facility:	A properly licensed or permitted nonprofit residential facility that provides a service, such as meals or rehabilitation, in addition to lodging, where each of the residents meet the Commission's CARE eligibility standards, or a homeless shelter that provides at least six beds for a minimum of 180 days each year for persons who have no alternative residence. Homeless shelters, women's shelters or hospices that lack a license or permit, but would otherwise meet the definition of a nonprofit group living facility, may be included in this definition for the purposes of the CARE program.

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Pacific Clock Time: (PCT):	Pacific Standard Time or Pacific Daylight Time, whichever is currently in effect.
Peak-Day Demand:	A customer's highest billing month's requirement divided by the number of days of operation in that month and the therm factor (average Btu per cubic foot divided by 1,000).
Permanent Service:	Service which, in the opinion of the Company, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.
Person:	Any individual, partnership, corporation, public agency, or other organization operating as a single business entity.
Point of Delivery:	The point which pipes owned, leased or under license by a customer contact the Company's pipes notwithstanding the fact that metering takes place beyond (on the customer's side of) that point.
Premises:	All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.
Public Utilities Commission:	The Public Utilities Commission of the State of California.
Qualified Contractor/ Subcontractor (QC/S):	A QC/S shall (1) be licensed in California for the appropriate type of work (electrical, general, etc.); (2) employ workmen properly certified for specific skills required (plastic fusion, welding, etc.); electric workmen shall be properly qualified (Qualified Electrical Worker, Qualified Person, etc.) as defined in State of California High Voltage Safety Orders (Title 8, Subchapter 5, Group 2); and (3) comply with applicable laws (Equal Opportunity Regulations, OSHA, EPA, etc.)

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Further, an applicant for service who intends to employ a QC/S should consider whether the QC/S (1) is technically competent; (2) has access to proper equipment; (3) demonstrates financial responsibility commensurate with the scope of the contract; (4) has adequate insurance coverage (workers' compensation, liability, property damage); and (5) is able to furnish surety bond for performance of contract, if required.

Rate Zone: A specified area within which an operative rate or rates apply.

Requirement: A customer's requirement for any period is the sum of the customer's metered usage and the customer's curtailed deliveries, expressed in therms.

Residential Use: Service to customers which consists of direct natural gas usage in a residential dwelling or multi-unit dwelling for space heating, air conditioning, cooking, water heating, and other residential uses; except for central heating plants serving a combination of residential and commercial uses where the commercial portion of the use is in excess of 100 Mcf per day or is more than 15 percent of the total natural gas requirements.

Rules: Tariff sheets which set forth the application of all rates, charges, and service when such applicability is not set forth in and as a part of the rate schedules.

Seasonal Service: Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages, or other part-time establishments.

Seasonal Use: Service to customers with 20 percent or less of their annual requirement occurring in the months November through March.

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Service:	All pipe, valves, and fittings from and including the connection at the main up to and including the stop-cock on the riser.
Service Extension:	Consists of the service as above defined when provided for a new customer at a premise not heretofore served in accordance with the service extension rule.
Standing Nomination:	A Daily Nomination which is effective for multiple Gas Days. Standing Nominations cannot exceed the term of the customer's Transportation Service Agreement. A Standing Nomination can be replaced by a new Daily Nomination or Intra-day Nomination; however, upon the expiration of such replacement Nomination, the Standing Nomination becomes effective again.
Stub Service:	A lateral pipe, including valves and fittings, from and including the connection at the main to a dead end near the curb or property line of the street in which the main is located.
Subcustomer:	A tenant in an apartment house or other business building to whom gas is resold by the customer from whom the tenant rents.
Summer Season:	The 6-month period beginning May 1 and ending October 31.
Tariff Schedules:	The entire body of effective rates, rentals, charges, and rules collectively, of the Company, as set forth herein, and including title page, preliminary statement, rate schedules, rules and sample forms.
Tariff Sheet:	An individual sheet of the tariff schedule.
Temporary Service:	Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character or the permanency of which has not been established also is considered temporary service.

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Third Party: Any natural person or public entity willing to receive notification of the pending termination of service of a residential customer who is elderly and/or handicapped, who is willing to be given the opportunity to arrange for payment of the customer's bill.

Tract or Subdivision: An area for family dwellings which may be identified by filed subdivision plans or as an area in which a group of dwellings may be constructed about the same time, either by a large scale builder or by several builders working on a coordinated basis.

Transmission Main: A pipeline installed for the purpose of transporting gas from a source of supply to a high pressure distribution main, distribution main, storage facility, or large volume customer(s).

Unit of Demand: For the natural gas use (other than P1) of each customer, the unit or units of demand shall be the average daily requirement, expressed in therms, in each priority class of that customer during normal operations in the immediately preceding curtailment year or such average daily requirement in the immediately preceding month of August, whichever is higher. In determining the unit of demand, changes in a customer's requirement caused by an addition or reduction in facilities or by a definite addition or reduction in facilities or by a definite change in operations may be considered by the Utility. A unit of demand shall be determined by the Utility separately for the P2-A, P2-B, P3, P4, and P5 use of each customer with such use as of the first day of each curtailment year.

Utility: Southwest Gas Corporation.

Winter Season: The 6-month period beginning November 1 and ending April 30.