



ARIZONA CORPORATION COMMISSION

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Commission Lowers Rate for Southwest Gas Decoupling Charges *Will Refund over \$11.5 Million to Customers*

PHOENIX, AZ - The Arizona Corporation Commission today approved a measure that will lower Southwest Gas' Energy Efficiency Enabling Provision (EEP) rate to $-\$0.02626$ per therm, which will be reflected as a credit on customers' monthly bills. The average credit to residential customer bills will be $\$0.55$ /month, or approximately $\$6.64$ annually.

"Decoupling has been a success, both for the company and for Arizonans," said **Chairman Bob Stump**. "I commend Southwest Gas' efforts for help enable consumers to benefit."

"I believe future Commissions should seek decoupling mechanisms for other utilities as a way to avoid rate shock," said **Commissioner Gary Pierce**.

The EEP is a decoupling mechanism that allows the company to recover its Commission-authorized fixed costs regardless of its level of sales. When Southwest gas engages in energy efficiency practices, it is in effect selling less natural gas, and its revenues will decrease. Decoupling was approved by the Commission to, in part, separate rates from customer usage and allow the company to maintain financial stability.

For the time period between January 1, 2013 and December 31, 2013, the Commission found that this revenue decoupling mechanism accomplished its objectives, including both enhanced revenue stability for the Company and bill stabilization for consumers.

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