

NEW APPLICATION



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SOUTHWEST GAS CORPORATION

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REG. CORP. COMM. DIV.
PHOENIX, ARIZONA

Roger C. Montgomery, Vice President/Pricing

January 5, 2001

DOCKET NO. G-01551A-01-0023

Ms. Deborah Scott, Director
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

Dear Ms. Scott:

Subject: Advice Letter No. 01-01-01

Southwest Gas Corporation (Southwest) tenders herewith for filing an original and ten (10) copies each of the following tariff sheets applicable to its Arizona Gas Tariff No. 7:

Seventh Revised A.C.C. Sheet No. 13
Second Revised A.C.C. Sheet No. 52
First Revised A.C.C. Sheet No. 54
Second Revised A.C.C. Sheet No. 55
First Revised A.C.C. Sheet No. 111
First Revised A.C.C. Sheet No. 193

The purpose of this advice letter is to revise Southwest's current tariffs as they pertain to customers switching from transportation service to sales service. Currently, because of the lag associated with collection of gas costs from sales customers, transportation customers may switch to sales service and pay lower gas costs than they would pay from a third party supplier. The potential exists for customers to switch back and forth between sales and transportation service every six months and adversely affect the total cost of gas that sales customers must pay. Proposed changes in this advice letter will help ensure that sales customers are not adversely affected through switching of service by transportation customers.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedule.



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Southwest respectfully requests that the tendered tariff sheets be accepted for filing and made effective upon compliance with the thirty-day notice requirement.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By *Roger C. Montgomery*
Roger C. Montgomery

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Enclosures

c Mr. Lindy Funkhouser, Director
Residential Utility Consumer Office
2828 North Central, Suite 1200
Phoenix, AZ 85004

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS

(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- (b) The transportation of gas through the Utility's system for the account of the customer; and
 - (c) The delivery of gas after transportation by the Utility for the account of the customer at the Delivery Point(s).
- 2.2 The Utility may curtail or interrupt service as defined by Section 5 of this schedule or by Rule No. 7 of this Arizona Gas Tariff. In the event of curtailment or interruption, the Utility shall provide service as follows:
- (a) The Utility shall provide the customer with as much advance notice as is practical of any curtailment or interruption of service; and
 - (b) The Utility may, to the extent feasible, continue to receive the customer's gas at the Receipt Point on a scheduled basis during the period of curtailment or interruption and shall, to the extent feasible, redeliver such gas at the Delivery Point(s). For the period of curtailment or interruption, the Utility may waive any payments that may otherwise be due pursuant to Section 7 hereof.
- 2.3 Gas transported under this schedule shall be for use only by the customer, except for customers who would otherwise be served under Schedule Nos. G-55 and G-95. Service under the provisions of this schedule shall not constitute the dedication of the Utility's pipeline system or any portion thereof to the customer.
- 2.4 Excluding imbalance charges, all rates and charges described herein shall apply by meter to each meter reflected in the customer's service agreement.
- 2.5 Any customer served under this schedule who requests service under a sales schedule must remain a sales customer for a period of not less than 12 months.

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Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

3. RATES (Continued)

- (i) An amount equal to the applicable unit sales margin for each therm, plus
- (ii) An amount to reflect shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. This amount shall be recorded in Account No. 191, Unrecovered Purchased Gas Costs.
- (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 to amortize the Gas Cost Balancing Account for a period of 12 months.
- (e) Any applicable imbalance charges as specified in Section 7 of this schedule.

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 maximum rate. When the Utility deviates from the maximum applicable rate, the sales margin set forth in Item (c)(i) above will be reduced.

In addition to the basic service charge, demand charge (if applicable), volume charge and any applicable imbalance charges, the Utility shall include as a surcharge 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.

Schedule No. T-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

3. RATES (Continued)

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 Gas Cost component of the Base Tariff Rate adjusted for the Monthly Gas Cost Adjustment and any other gas cost charge approved by the Commission; 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.

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RULE NO. 4

MINIMUM CUSTOMER INFORMATION REQUIREMENTS

(Continued)

B. INFORMATION FOR RESIDENTIAL CUSTOMERS (Continued)

- c. Billing and collection
- d. Complaint handling
- 3. The Utility, upon request of the customer of record, shall transmit a written statement of actual consumption by such customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.
- 4. The Utility shall determine the most applicable tariff for the customer and notify the customer of such prior to service commencement.
- 5. The Utility shall inform all new customers of their rights to obtain the information specified above.

C. INFORMATION REQUIRED DUE TO BASE TARIFF RATE CHANGES

The Utility shall notify the affected customers of any base tariff rate change.

D. CHANGE OF TARIFF SCHEDULE BY CUSTOMER

Should a customer be eligible and elect to take service under a different applicable rate schedule, the change will become effective after the regular meter reading next following the date of such request. The Utility may refuse to permit such a change unless service has been established under the current tariff schedule for a period of not less than 12 months, except customers served under Schedule Nos. G-30 and B-1 need only have taken service for a period of not less than six months, and except such change will be permitted when an applicable new or revised tariff schedule is first put into effect or the customer's operations have changed so as to justify immediate transfer to a different schedule. It is the customer's responsibility to notify the Utility of changes in their load requirements.

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