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SOUTHWEST GAS CORPORATION

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Roger C. Montgomery, Vice President/Pricing
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May 11, 2004

Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, AZ 85007-2996

Sent via Airborne

Gentlemen:

Subject: Advice Letter No. 04-05-01
Docket Nos. G-01551A-02-0425, G-01970A-02-0425, D.66101

Southwest Gas Corporation (Southwest) tenders herewith the following tariff sheets applicable to its Arizona Gas Tariff No. 7:

- Fourth Revised A.C.C. Sheet No. 3
- Fourth Revised A.C.C. Sheet No. 4
- Second Revised A.C.C. Sheet No. 8
- Fifty-Fifth Revised A.C.C. Sheet No. 12
- Third Revised A.C.C. Sheet No. 15
- Second Revised A.C.C. Sheet No. 47-50
- Third Revised A.C.C. Sheet No. 52
- Fourth Revised A.C.C. Sheet No. 87

Arizona Corporation Commission

DOCKETED

MAY 12 2004

DOCKETED BY	<i>Mae</i>
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The Arizona Corporation Commission (ACC) issued Decision No. 66101 in Docket No. G-01551A-02-0425 approving Southwest's acquisition of Black Mountain Gas Company (BMG). The transaction was consummated on October 21, 2003. At that time, Southwest discontinued service to BMG under Schedule No. G-95, Resale Gas Service. Schedule No. G-95 is applicable only to BMG.

The purpose of this filing is to request authorization to withdraw Schedule No. G-95 and to eliminate references to the schedule throughout the tariff. Since there are no customers eligible for service under this schedule, its withdrawal will not adversely affect any current or future Southwest customer.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By *A. Brandon Layton* for Roger C. Montgomery
Roger C. Montgomery

lr/Attachments

c Mr. Robert Gray, ACC
Mr. Stephen Ahearn, RUCO

5241 Spring Mountain Road / P.O. Box 98510 / Las Vegas, Nevada 89193-8510 / (702) 876-7321

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INDEX OF COMMUNITIES

The rate schedules applicable to the communities listed below are Schedule Nos. G-5 through G-80, R-1, C-1, CRS-1, GAC-1, CNG-1, CGEN-1, T-1 and B-1.

Adobe	Douglas	Marana	San Simon
Aguila	Dragoon	Maricopa	Scottsdale
Ajo	Dudleyville	Marinette	Sierra Vista
Amado	Ehrenberg	McNeal	Somerton
Apache	Elfrida	Mesa	Sonoita
Apache Junction	El Mirage	Miami	South Tucson
Arizona City	Eloy	Mobile	St. David
Arivaca Junction	Florence	Mohave Valley	Stanfield
Arlington	Fort Grant	Morenci	Stargo
Avondale	Fort Huachuca	Morristown	Sun City
Beardsley	Fort Mohave	Naco	Sunizona
Benson	Fountain Hills	New River	Sun Lakes
Bisbee	Gila Bend	Ocotillo	Sunsites
Bisbee Junction	Gilbert	Oracle	Superior
Bonita	Glendale	Oro Valley	Surprise
Bowie	Globe	Palominas	Tacna
Buckeye	Goodyear	Paradise Valley	Tempe
Bullhead City	Green Valley	Parker	Theba
Bylas	Guadalupe	Pearce	Tolleson
Carefree	Harcuvar	Peoria	Tombstone
Casa Grande	Harquahala	Peridot	Tonopah
Cashion	Hayden	Perryville	Topock
Cave Creek	Hereford	Phoenix	Tucson
Central Heights	Higley	Picacho	Vail
Chandler	Horn	Pirtleville	Valley Farms
Chandler Heights	Huachuca City	Queen Creek	Waddell
Circle City	Hyder	Rainbow Valley	Wellton
Claypool	Kansas	Red Rock	Wenden
Clifton	Settlement	Rillito	Wickenburg
Cochise	Kearny	Riverside	Willcox
Coolidge	Kelvin	Riviera	Williams AFB
Cortaro	Laveen	Sacaton	Winkelman
Cutter	Liberty	Sahuarita	Wittmann
Dateland	Litchfield Park	Salome	Youngtown
Don Luis	Luke AFB	San Carlos	Yuma
Double Adobe	Mammoth	San Manuel	

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Arizona Gas Tariff No. 7
Arizona Division

Canceling Fifty-Fifth Revised A.C.C. Sheet No. 12
Fifty-Fourth Revised A.C.C. Sheet No. 12

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES 1/
(Continued)

Description	Base Tariff Rate		2/ Rate Adjustment	Monthly Gas Cost Adjustment	Currently Effective Tariff Rate
	Margin	Gas Cost			
<u>G-30 – Optional Gas Service</u>					
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 27.				
Commodity Charge per Therm:					
All Usage	As specified on A.C.C. Sheet No. 28.				
<u>G-35 – Gas Service to Armed Forces</u>					
Basic Service Charge per Month	\$350.00				\$350.00
Commodity Charge per Therm:					
All Usage	\$.18966	\$.37034	\$.00000	\$.15634	\$.71634
<u>G-40 – Air-Conditioning Gas Service</u>					
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 32.				
Commodity Charge per Therm:					
All Usage	\$.07613	\$.37034	\$.00000	\$.15634	\$.60281
<u>G-45 – Street Lighting Gas Service</u>					
Commodity Charge per Therm of Rated Capacity:					
All Usage	\$.47648	\$.37034	\$.00000	\$.15634	\$ 1.00316
<u>G-55 – Gas Service for Compression on Customer's Premises 5/</u>					
Basic Service Charge per Month:					
Small	\$ 20.00				\$ 20.00
Large	170.00				170.00
Residential	8.00				8.00
Commodity Charge per Therm:					
Small, All Usage	\$.13305	\$.37034	\$.00000	\$.15634	\$.65973
Large, All Usage	.13305	.37034	.00000	.15634	.65973
<u>G-60 – Cogeneration Gas Service 4/</u>					
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 40.				
Commodity Charge per Therm:					
All Usage	\$.08934	\$.43742			\$.52676
<u>G-75 – Small Essential Agricultural User Gas Service</u>					
Basic Service Charge per Month	\$ 75.00				\$ 75.00
Commodity Charge per Therm:					
All Usage	\$.19468	\$.37034	\$.00000	\$.15634	\$.72136
<u>G-80 – Natural Gas Engine Gas Service 4/</u>					
Basic Service Charge per Month:					
Off-Peak Season (October–March)	\$ 0.00				\$ 0.00
Peak Season (April–September)	80.00				80.00
Commodity Charge per Therm:					
All Usage	\$.16189	\$.43742			\$.59931

Issued On May 11, 2004
Docket No. G-01551A-02-0425

Issued by
John P. Hester
Vice President

Effective
Decision No. 66101

D

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Arizona Gas Tariff No. 7
Arizona Division

Canceling Second Revised A.C.C. Sheet No. 47-50
First Revised A.C.C. Sheet No. 47-48

HELD FOR FUTURE USE

Issued On May 11, 2004
Docket No. G-01551A-02-0425

Issued by
John P. Hester
Vice President

Effective _____ T
Decision No. 66101 T

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision ("PGA") shall apply to all schedules except for Schedule Nos. G-30, G-60 and G-80 of this Arizona Gas Tariff.

CHANGE IN RATES

Sales rate schedules covered by this provision include a base cost of gas ("BCOG") of \$.37034 per therm. In accordance with Decision Nos. 61225 and 61711, a monthly adjustment to the BCOG will be made through a change in the Purchased Gas Adjustment ("PGA") rate that is based upon the rolling twelve-month average of actual purchased gas costs and sales. In accordance with Decision No. 62994, the PGA rate calculated for the month cannot be more than \$.10 per therm different than any PGA rate in effect during the preceding twelve months.

BANK BALANCE

The Utility shall establish and maintain a Gas Cost Balancing Account, if necessary, for the schedules subject to this provision. Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) an amount determined by multiplying the average purchased gas cost included in the sum of the Base Tariff Rate Gas Cost and the Monthly Gas Cost Adjustment as set forth on Sheet Nos. 11 and 12 of this Arizona Gas Tariff by the therms billed during the month under the applicable schedules of this Arizona Gas Tariff.
2. A debit or credit entry equal to the therms billed during the month under the applicable schedules of this Arizona Gas Tariff, multiplied by the Gas Cost Balancing Account Adjustment, if any, reflected in the rates charged during the month.
3. A debit or credit entry for refunds or payments authorized by the Commission.
4. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the non-financial three-month commercial paper rate for each month contained in the Federal Reserve Statistical Release, G-13, or its successor publication.