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BEFORE THE ARIZONA CORPORATION

Arizona Corporation Commission
DOCKETED

FEB 16 2001

DOCKETED BY [initials]

1
2 WILLIAM A. MUNDELL
Chairman
3 JIM IRVIN
Commissioner
4 MARC SPITZER
Commissioner
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6 IN THE MATTER OF THE APPLICATION OF)
SOUTHWEST GAS CORPORATION - FILING)
7 FOR APPROVAL OF CHANGES TO)
SCHEDULES G-60, COGENERATION GAS)
8 SERVICE, AND G-80, NATURAL GAS ENGINE)
GAS SERVICE, REGARDING GAS COSTS)
9

DOCKET NO. G-01551A-01-0060

DECISION NO. 63387

ORDER

10 Open Meeting
February 13 and 14, 2001
11 Phoenix, Arizona

12 BY THE COMMISSION:

FINDINGS OF FACT

14 1. Southwest Gas Corporation ("Southwest") is engaged in providing natural gas within
15 portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission.

16 2. On January 17, 2001, Southwest filed for Commission approval of changes to Schedules
17 G-60, Cogeneration Gas Service, and G-80, Natural Gas Engine Gas Service, regarding gas costs.

18 3. Most of Southwest's rate schedules are currently subject to the 12 month rolling average
19 PGA mechanism, resulting in a new PGA rate being calculated each month. However, the gas cost
20 for Schedules G-60 and G-80 is currently adjusted annually, with a new rate becoming effective each
21 May 1st.

22 4. The annual May 1st adjustment to the gas cost component for Schedules G-60 and G-80
23 is calculated using the most recent 12 months of cost and consumption information.

24 5. Because the gas cost component of Schedules G-60 and G-80 is adjusted annually, and
25 when it is adjusted it is based upon the previous 12 months of information, the gas cost component
26 may not accurately reflect the actual cost of gas to serve customers on Schedules G-60 and G-80 during
27 the year a given gas cost component is in use. This is particularly true when there are large swings in
28 the price of natural gas, as there have been recently.

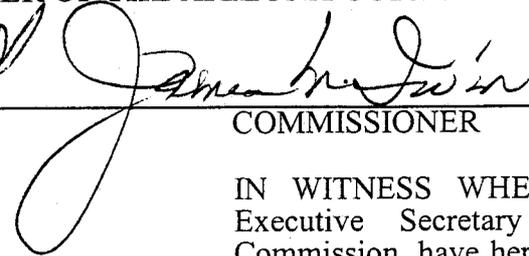
1 3. The Commission, having reviewed the application and Staff's Memorandum dated
2 January 26, 2001, concludes that it is in the public interest to suspend the filing for 90 days.

3 ORDER

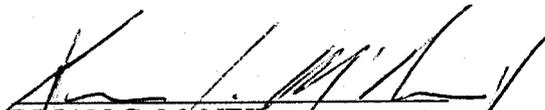
4 IT IS THEREFORE ORDERED that the filing be and hereby is suspended until May 16,
5 2001.

6 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

7
8 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

9 
10 CHAIRMAN  COMMISSIONER  COMMISSIONER

11 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
12 Executive Secretary of the Arizona Corporation
13 Commission, have hereunto, set my hand and caused the
14 official seal of this Commission to be affixed at the Capitol,
in the City of Phoenix, this 16th day of February
—, 2001.

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16 BRIAN C. McNEIL
17 Executive Secretary

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20 DISSENT: _____

21 DRS:BGG:jbc/JMA
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1 SERVICE LIST FOR: SOUTHWEST GAS CORPORATION
2 DOCKET NO. G-01551A-01-0060

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