

NEW APPLICATION



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SOUTHWEST GAS CORPORATION

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Roger C. Montgomery, Vice President/Pricing

January 17, 2001

DOCKET NO. G-01551A-01-0060

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

Dear Ms. Scott:

Subject: Advice Letter No. 01-01-02

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:

Twenty-first Revised A.C.C. Sheet No. 12
Seventh Revised A.C.C. Sheet No. 13

The purpose of this filing is to request Commission authorization for Southwest to adjust the gas cost component of the sales rate for Schedule No. G-60, Cogeneration Gas Service, and Schedule No. G-80, Natural Gas Engine Gas Service, to keep the gas cost in these schedules consistent with market conditions on a timely basis.

In Decision Nos. 61225 and 61711, the Commission authorized Southwest to adjust, on a monthly basis, the gas cost component included in all of its sales rate schedules, except Schedule Nos. G-60 and G-80. Rate adjustments for Schedule Nos. G-60 and G-80 are made on an annual basis as set forth on Sheet 13, Footnote 4 of Southwest's Arizona Gas Tariff.

The annual rate adjustment process established for Schedule Nos. G-60 and G-80 does not allow Southwest to adjust its sales rates for these schedules in a timely manner given the volatility in today's market for natural gas. The result has been that customers on these schedules have not received price



Advice Letter No. 01-01-02
January 17, 2001
Page Two

signals reflective of current market conditions, and because Schedule Nos. G-60 and G-80 are not included in the Gas Cost Balancing Account, Southwest's margin has been significantly and adversely impacted by changes in the cost of natural gas.

Southwest will file with the Commission for approval to adjust the gas cost for Schedule Nos. G-60 and G-80 as market conditions change in order to provide customers with accurate price signals and to stabilize Southwest's margin earned on sales under these schedules.

The attached tariff sheets give effect to Southwest's proposal and adjust the effective sales rates for Schedule Nos. G-60 and G-80 to reflect Southwest's weighted average cost of gas for the most recent three months of September through November, 2000.

Southwest respectfully requests that the tendered tariff sheets be accepted for filing and made effective on March 1, 2001.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By 
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

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

Canceling Twenty-First Revised A.C.C. Sheet No. 12
Twentieth 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-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	\$.07287	\$.25489	\$.05691	\$.12210	\$.50677
<u>G-45 – Street Lighting Gas Service</u>					
Commodity Charge per Therm of Rated Capacity:					
All Usage	\$.47502	\$.25489	\$.05691	\$.12210	\$.90892
<u>G-55 – Gas Service for Compression on Customer's Premises 5/</u>					
Basic Service Charge per Month:					
Small	\$ 18.50				\$ 18.50
Large	250.00				250.00
Commodity Charge per Therm:					
Small, All Usage	\$.09695	\$.25489	\$.05691	\$.12210	\$.53085
Large, All Usage	.09695	.25489	.05691	.12210	.53085
<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	\$.08197	\$.21165		\$.28515	\$.57877
<u>G-75 – Small Essential Agricultural User Gas Service</u>					
Basic Service Charge per Month	\$ 55.00				\$ 55.00
Commodity Charge per Therm:					
All Usage	\$.19003	\$.25489	\$.05691	\$.12210	\$.62393
<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	55.00				55.00
Commodity Charge per Therm:					
All Usage	\$.15900	\$.21165		\$.28515	\$.65580
<u>G-95 – Resale Gas Service</u>					
Basic Service Charge per Month	\$ 800.00				\$ 800.00
Commodity Charge per Therm:					
All Usage 6/	\$.02206	\$.22915	\$.10102		\$.35223

Issued On January 17, 2001 Issued by Edward S. Zub Effective _____
Docket No. _____ Executive Vice President Decision No. _____

**SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
WEIGHTED AVERAGE CITY GATE GAS COST
SEPTEMBER THROUGH NOVEMBER 2000**

Month	City Gate Deliveries Therms [1]	Cost	Weighted Average Cost per Therm
September	25,298,784	\$ 9,963,155.51	
October	31,652,547	14,961,066.48	
November	73,796,620	\$ 40,031,588.91	
Total	<u>130,747,951</u>	<u>\$ 64,955,810.90</u>	<u>\$ 0.49680</u>

[1] Mainline purchases less EPNG shrinkage at 3.88%.