

ORIGINAL



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SOUTHWEST GAS CORPORATION

September 1, 2005

Docket Control Office
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Subject: Southwest Gas Corporation
General Rate Case; G-01551A-04-0876
Errata to Rebuttal Testimony

Enclosed please find an original and thirteen (13) copies of Southwest's Errata to Rebuttal Testimony in the above-referenced docket. An additional copy is included for date/time stamp and return in the self-addressed, stamped envelope. This filing is made in conjunction with the recently filed rebuttal testimonies on August 23, 2005, of A. Brooks Congdon and Theodore K. Wood. This filing includes: (1) missing Page 22 in the rebuttal testimony of Theodore K. Wood that was inadvertently omitted; and (2) two pages of rebuttal testimony of A. Brooks Congdon that describes Rebuttal Exhibit No. ____ (ABC-3), which was not described in Mr. Congdon's rebuttal testimony.

Should you have any questions, please do not hesitate to contact me at (702) 364-3079.

Respectfully,

Randall W. Sable
Manager/State Regulatory Affairs

Enclosures

AZ CORP COMMISSION
DOCUMENT CONTROL

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BEFORE THE
ARIZONA CORPORATION COMMISSION

IN THE MATTER OF
SOUTHWEST GAS CORPORATION
Docket No. G-01551A-04-0876

ERRATA to REBUTTAL TESTIMONY
of
Theodore K. Wood

ON BEHALF OF
SOUTHWEST GAS CORPORATION

*NOTE: Please insert the following page 22 omitted from
Mr. Theodore K. Wood's Rebuttal Testimony*

1 shares are introduced into the market, earnings will
2 likely be diluted and the price of the Company's stock
3 will likely fall. Such a scenario would harm the integrity
4 of existing capital and hinder the Company's ability to
5 maximize proceeds from subsequent common stock offerings.

6 The Company has demonstrated a commitment to improve
7 its capital structure by issuing approximately 15.8 million
8 shares of common stock (\$313.7 million) over the time
9 period 1994-2004 and for the six-month period ended June
10 30, 2005 the company has issued 1.5 million shares of
11 common stock (\$35.6 million). Staff's recommendation for
12 the Company to file a formal re-capitalization plan, which
13 would require the Company to achieve a 40 percent common
14 equity ratio or face the possibility of unfavorable
15 regulatory treatment in the future, would send a negative
16 signal to the stock market. The negative signal is due to
17 the informational effect of possibly requiring the Company
18 to choose between issuing more common stock to achieve the
19 target or face cost of capital sanctions in its next
20 Arizona general rate case, either of which has negative
21 implications to the Company's stock price. The Company
22 needs to have the flexibility to manage its capital
23 structure, so that it can prudently choose the time,
24 amounts, and types of capital to raise, based on capital
25 market conditions and the circumstances of the Company.
26 Again, the Company believes Staff's recommendation is
27 overreaching and should be rejected.

BEFORE THE
ARIZONA CORPORATION COMMISSION

IN THE MATTER OF
SOUTHWEST GAS CORPORATION
Docket No. G-01551A-04-0876

ERRATA to REBUTTAL TESTIMONY
of
A. Brooks Congdon

ON BEHALF OF
SOUTHWEST GAS CORPORATION

*NOTE: Question and Answer No. 30A, omitted from Mr. A. Brooks Congdon's
Rebuttal Testimony should be inserted on page 15
between Question and Answer No. 30 and 31*

BEFORE THE ARIZONA CORPORATION COMMISSION

Errata to Rebuttal Testimony
of
A. BROOKS CONGDON

Q. 1 Are you the same A. Brooks Congdon who submitted prepared direct and prepared rebuttal testimony in this Docket before the Arizona Corporation Commission (Commission or Staff) for Southwest Gas Corporation (Southwest)?

A. 1 Yes, I am.

Q. 2 Why are you filing an errata to your rebuttal testimony?

A. 2 The reason I am filing this errata is because I included Rebuttal Exhibit No. ___(ABC-3) as part of my rebuttal testimony, but I inadvertently omitted from my final draft of testimony the question and answer that describes the Rebuttal Exhibit.

Q. 3 What was the question and answer that was inadvertently omitted?

A. 3 The question and answer should be inserted between Question and Answer 30 and 31, as follows:

Q. 30A Please describe the information presented in your Rebuttal Exhibit No. ___(ABC-3).

A. 30A Rebuttal Exhibit No. ___(ABC-3) reflects the amount of Southwest's total proposed single-family residential margin that falls into the consumption groups I selected for

1 customer impact analysis. This exhibit also
2 shows the percentage of total single-family
3 customers in each consumption group.
4 Calculations were made under Southwest's,
5 Staff's, and RUCO's rate designs to
6 illustrate the differences in margin
7 recovery between small and large
8 residential customers under each proposal.
9 Rebuttal Exhibit No. ___ (ABC-3) demonstrates
10 that Southwest's proposal distributes the
11 recovery of total margin more evenly across
12 the residential customer class than either
13 Staff's or RUCO's proposals.

14 Q. 4 Does this conclude your errata to your rebuttal
15 testimony?

16 A. 4 Yes, it does.