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BEFORE THE ARIZONA CORPORATION COMMISSION

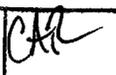
MARC SPITZER  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JIM IRVIN  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner

Arizona Corporation Commission

DOCKETED

FEB 05 2003

AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION  
OF SOUTHWEST GAS CORPORATION  
FOR APPROVAL OF ACQUISITION PLAN  
AND, IF APPROPRIATE, WAIVER  
SELECTED PROVISION OF THE  
AFFILIATE RULES

DOCKET NO. G-01551A-02-0425

NOTICE OF FILING REBUTTAL  
TESTIMONY OF JOHN REIBER

Black Mountain Gas hereby files with the Arizona Corporation Commission's Docket Control the Testimony of John Reiber in the above-captioned docket.

DATED: February <sup>5+1+</sup> \_\_, 2003

FENNEMORE CRAIG, P.C.

By   
Timothy Berg  
Theresa Dwyer  
3003 N. Central Ave, Suite 2600  
Phoenix, Arizona 85012

Attorneys for Black Mountain Gas

An original and 13 copies  
of the foregoing delivered this 5<sup>th</sup>  
day of February, 2003, to:

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

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COPY delivered this 5<sup>th</sup> day of February, 2003, to:

Christopher Kempley  
Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ernest Johnson  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

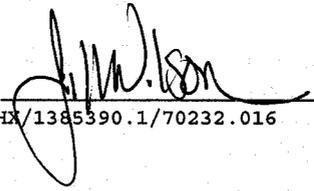
COPY mailed this 5<sup>th</sup> day of February, 2003 to:

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Phoenix, Arizona, 85003

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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Commissioner
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Commissioner
- MIKE GLEASON  
Commissioner

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**REBUTTAL TESTIMONY OF  
JOHN REIBER**

Q. Please state your name and business address.

A. My name is John Reiber. I am the President and CEO of Black Mountain Gas Company ("Black Mountain"), a wholly-owned utility operating company subsidiary of Xcel Energy Inc. ("Xcel Energy") My business address is 6021 E. Cave Creek Road, Cave Creek Arizona, 85331.

Q. Please state your educational background and business experience.

A. I graduated from Regis University in Denver, Colorado in 1988 with a Bachelor of Science Degree in Business Administration.

From January 1974 to August 2000, I was employed by Public Service Company of Colorado and then New Century Energies, Inc. ("NCE"), predecessor companies to Xcel Energy. From August 2000 to March 2001, I was employed by Xcel Energy Services Inc., the "service company" in the Xcel Energy Inc. holding company system. I held various positions of Apprentice Gas Fitter, Gas Fitter, Technician, Senior Technician and Associate Engineer before being promoted to Engineering Supervisor, Denver Metro Division in 1984. From 1984 through

1 2001, I held various management positions including Gas Central Service  
2 Utilization Manager, Gas Distribution Maintenance Manager, Gas Distribution  
3 Emergency Services Manager and Director of Emergency Response and  
4 Dispatch. In March 2001, I was named President and CEO of Black Mountain.

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to clarify one issue in Staff's pre-filed testimony  
7 and to further Black Mountain's support for the proposed acquisition by Southwest  
8 Gas Corporation ("Southwest") of the outstanding shares of Black Mountain from  
9 Xcel Energy.

10 Q. Please describe Black Mountain's subsidiary relationship to Xcel Energy.

11 A. Black Mountain is the smallest utility subsidiary of Xcel Energy, and is somewhat  
12 geographically remote from the other utility systems. (Public Service Company of  
13 Colorado serves portions of Colorado, and Southwestern Public Service  
14 Company provides electric service in eastern New Mexico.) Xcel Energy has  
15 decided to sell Black Mountain to Southwest so it can focus on its "core" operating  
16 companies. Southwest provides a good fit for the Black Mountain natural gas  
17 utility operation in Cave Creek because Southwest is geographically closer than  
18 Minnesota; in fact, Southwest almost surrounds the Black Mountain natural gas  
19 service area and Black Mountain purchases natural gas supply from Southwest.

20 Q. Do you have an opinion as to whether the current customers of Black Mountain  
21 would be served well by being customers of Southwest?

22 A. Yes, I do. Although, in my opinion, Black Mountain provides a safe, reliable  
23 natural gas service at a reasonable cost, the reality is that there are several  
24 programs conducted by Southwest that are not now available to Black Mountain  
25 customers. It is my understanding that Black Mountain's current customers in the  
26 Cave Creek operating area would begin to enjoy the benefits of those programs

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immediately upon consummation of the stock purchase transaction. A description of the programs is included in the pre-filed rebuttal testimony of Southwest.

Q. Have you read the pre-filed testimony of the Commission Staff in this proceeding?

A. Yes, I have.

Q. What is Black Mountain's reaction to Staff's pre-filed testimony?

A. I would like to clarify one issue identified in Staff's pre-filed testimony. In the testimony of Robert Miller on page 3, lines 10 to 14, Mr. Miller's statement may lead the reader to believe that the 2002 Code Compliance Audit requires BMG to install approximately 34 emergency isolation valves prior to May 1, 2003. I agree that a discussion occurred regarding the BMG Emergency Isolation Valve Plan. Further, Mr. Miller was told that approximately 34 additional valves may be required to reduce the number of customers affected during emergency conditions. BMG did not, however, state that all valves required installation. BMG had several valves in the distribution system that were categorized as distribution valves. BMG has changed the categorization of some of the existing distribution valves to emergency valves in concert with installation of other valves. Additionally, the Code Compliance Audit did not specifically identify the Emergency Valve Isolation Plan as a Probable Noncompliance item. However, BMG believes the Emergency Valve Isolation Plan will meet the requirements of the ACC Office of Pipeline Safety by May 1, 2003.

Q. Do you have an opinion regarding the impact of the proposed stock acquisition on the current propane service customers of Black Mountain?

A. Yes. My understanding is that consummation of the stock purchase transaction would have no discernible impact on the Page Division customers. It is my understanding that the Page Division operations would continue "business as usual" by Southwest. As reflected in Southwest's Application, Southwest intends

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to market the Page Division properties immediately upon consummation of the stock purchase transaction. It is further my understanding that, so long as the Page Division properties are owned by Southwest, the operations will be conducted separately and the change in ownership is expected to be transparent to current Black Mountain customers.

Q. Do you have any further statements you would like to make in support of the proposed acquisition by Southwest of the outstanding shares of Black Mountain?

A. Yes. I want to reiterate Black Mountain's support for the Commission's prompt approval of the proposed acquisition by Southwest of the outstanding shares of Black Mountain so the benefits of the acquisition can be achieved.

Q. Does that conclude your pre-filed testimony?

A. Yes, it does.

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**AFFIDAVIT OF JOHN REIBER**

John Reiber, of lawful age, being first duly sworn, deposes and states:

1. My name is John Reiber. I am the President and CEO of Black Mountain Gas Company. I have caused to be filed written rebuttal testimony in Docket No. G-01551A-02-0425.

2. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Further Affiant sayeth not.

*John Reiber*  
\_\_\_\_\_  
John Reiber

SUBSCRIBED AND SWORN to before me this 5<sup>th</sup> day of February, 2003.



*Aroni Chubb*  
\_\_\_\_\_  
Notary Public

My Commission Expires: 12-30-2006