



0000055275

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

1
2 MARC SPITZER
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 WILLIAM A. MUNDELL
COMMISSIONER
5 JEFF HATCH-MILLER
COMMISSIONER
6 MIKE GLEASON
COMMISSIONER

Arizona Corporation Commission

DOCKETED

FEB 20 2003

2003 FEB 20 P 4: 31

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY	CAE
-------------	-----

7
8 IN THE MATTER OF THE APPLICATION
OF SOUTHWEST GAS CORPORATION
9 FOR APPROVAL OF ACQUISITION PLAN
AND, IF APPROPRIATE, WAIVER OF
10 SELECTED PROVISION OF THE
AFFILIATE RULES.

Docket No. G-01551A-02-0425

11
12 **NOTICE OF FILING**

13 The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the
14 redacted Testimony Summary of Rodney L. Moore in the above-referenced matter.
15 Unredacted versions of Mr. Moore's testimony summary are being provided to parties who
16 have executed appropriate confidentiality agreements.

17 RESPECTFULLY SUBMITTED this 20th day of February, 2003.

18

19 Daniel W. Pozefsky
20 Attorney

1 AN ORIGINAL AND THIRTEEN COPIES
of the foregoing filed this 20th day of
2 February, 2003 with:

3 Docket Control
Arizona Corporation Commission
4 1200 West Washington
Phoenix, Arizona 85007

5 COPIES of the foregoing hand delivered/
6 emailed/mailed this 20th day of February,
2003 to:

7
8 Lyn Farmer
Chief Administrative Law Judge
Hearing Division
9 Arizona Corporation Commission
1200 West Washington
10 Phoenix, Arizona 85007

John Reiber
Black Mountain Gas Company
PO Box 427
Cave Creek, Arizona 85327
john.reiber@xcelenergy.com

11 Christopher Kempley
Chief Counsel
12 Legal Division
Arizona Corporation Commission
13 1200 West Washington
Phoenix, Arizona 85007

Timothy Berg
Theresa Dwyer
Fennemore Craig, P.C.
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
tberg@fclaw.com

14 Ernest Johnson
15 Director
Utilities Division
16 Arizona Corporation Commission
1200 West Washington
17 Phoenix, Arizona 85007

Walter W. Meek
AUIA
2100 North Central Avenue
Suite 210
Phoenix, Arizona 85004
meek@auia.org

18 Edward S. Zub
Southwest Gas Corporation
19 PO Box 98510
Las Vegas, Nevada 89193-8510

Marc Spitzer
Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

20 Andrew W. Bettwy
21 Southwest Gas Corporation
PO Box 98510
22 Las Vegas, Nevada 89193-8510
andy.bettwy@swgas.com

23

24

1 Jim Irvin
Commissioner
2 Arizona Corporation Commission
1200 West Washington
3 Phoenix, Arizona 85007

4 William A. Mundell
Commissioner
5 Arizona Corporation Commission
1200 West Washington
6 Phoenix, Arizona 85007

7 Jeff Hatch-Miller
Commissioner
8 Arizona Corporation Commission
1200 West Washington
9 Phoenix, Arizona 85007

10 Mike Gleason
Commissioner
11 Arizona Corporation Commission
1200 West Washington
12 Phoenix, Arizona 85007

13 Paul Walker
Arizona Corporation Commission
14 1200 West Washington
Phoenix, Arizona 85007

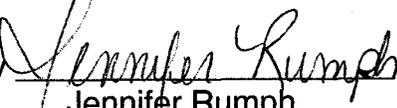
15 Kevin Barlay
16 Arizona Corporation Commission
1200 West Washington
17 Phoenix, Arizona 85007

18 Hercules Dellas
Arizona Corporation Commission
19 1200 West Washington
Phoenix, Arizona 85007

20 Dean Miller
21 Arizona Corporation Commission
1200 West Washington
22 Phoenix, Arizona 85007

23
24

Jodi Jerich
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

By 
Jennifer Rumph

**SUMMARY OF THE TESTIMONY OF RODNEY L. MOORE
ON BEHALF OF THE RESIDENTIAL UTILITY CONSUMER OFFICE**

1 The following is a summary of the testimony given by Rodney L. Moore that is
2 applicable to Residential Utility Consumer Office's ("RUCO") recommended
3 conditions for the approval of an acquisition plan and, if appropriate, waiver of
4 selected provisions of the affiliate rules. A full disclosure of the issues and
5 conditions are contained in the document as referenced.

6

7 Mr. Moore concludes that Southwest Gas Corporation ("Southwest" or "SWG") is
8 a fit and proper entity to succeed to the ownership of Black Mountain Gas
9 Company ("Black Mountain" or "BMG") and that the acquisition will be consistent
10 with the public interest if the following recommendations are adopted by the
11 Arizona Corporation Commission ("Commission"):

- 12 1. Southwest be required to file an Arizona general rate case within three
13 years of the effective date of the decision on this matter; and
- 14 2. Southwest be required to maintain Black Mountain's financial records for
15 the two years prior this acquisition.

16

17 Subject to the above conditions, RUCO recommends approval of the acquisition
18 and transfer of the CC&Ns to Southwest.

19

20 RUCO also recommends approval of the acquisition transaction pursuant to the
21 Affiliated Interest Rules.

1 **SUMMARY OF RUCO'S ASSUMPTIONS AND RECOMMENDATIONS**

2

3 Mr. Moore's testimony addresses the following issues:

4 **Southwest's Arizona Customers**

5 SWG's current base rate tariffs, monthly service charges and
6 miscellaneous fees would remain in effect until changed by the
7 Commission in Southwest's Arizona next general rate case application.

8

9 **Black Mountain – Page Division Customers**

10 BMG's currently effective tariff rates and service level for its regulated
11 propane service in its Page division would remain in effect until changed
12 by the Commission in the next general rate case application, which would
13 be filed as a standalone ratemaking jurisdiction.

14

15 **Black Mountain – Cave Creek Division Customers**

16 Basic Monthly Service Rates and Charges – BMG's basic monthly service
17 charges and miscellaneous fees would remain in effect until changed by
18 the Commission in Southwest's Arizona next general rate case
19 application.

20

21 Margin Gas Cost Rate – BMG's current base rate tariffs would remain in
22 effect until changed by the Commission in Southwest's Arizona next
23 general rate case application.

24

1 Purchased Gas Adjustor – SWG will adjust the PGA rate for BMG
2 customers so that both SWG and BMG pay the same total cost of gas on
3 a going forward basis.

4
5 Surcharge/Surcredit to Amortize PGA Bank Balance – SWG will
6 implement a specific surcharge/surcredit on BMG designed to zero-out the
7 balance over the initial twelve-month period following the acquisition.
8 Furthermore, Southwest will implement a surcredit for original SWG
9 customers only designed to return the over-recovered PGA bank balance
10 to SWG customers over the initial twelve-month period following
11 acquisition.

12
13 Consolidation of PGA Bank Balance – Twelve months after the
14 acquisition, any residual amount in the Black Mountain PGA bank balance
15 will be consolidated into Southwest's Arizona PGA bank balance. RUCO
16 assumes that any residual balance that remains in either the BMG or
17 SWG balancing account is minimal. RUCO would not support the charge
18 or credit of any material balances except to the specific customers who
19 originally contributed to the account.

20

21 **[BEGIN TRADE SECRET**

22

23

1

2

3

4

5

6

[END TRADE SECRET]