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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
CHAIRMAN
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COMMISSIONER
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AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION FOR) DOCKET NO.
APPROVAL OF ACQUISITION PLAN AND,)
IF APPROPRIATE, WAIVER OF SELECTED) G-01551A-02-0425
PROVISIONS OF THE AFFILIATE RULES.)

NOTICE OF FILING

Pursuant to the Procedural Order in this matter, the ARIZONA UTILITY INVESTORS ASSOCIATION, INC. (AUIA) hereby provides its summary of the pre-filed rebuttal testimony of Walter W. Meek in the above-captioned proceeding.

Respectfully submitted, this 21st day of February, 2003.

Walter W. Meek, President

CERTIFICATE OF SERVICE

An original and 13 copies of the notice and summary were filed this 21st day of February, 2003, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

FEB 21 2003

DOCKETED BY

Copies of the notice and summary were delivered this 21st day of February, 2003, to:

Ernest Johnson, Esq., Utilities Division
Jane L. Rodda, Esq., Hearing Division
Lisa Vandenberg, Esq., Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

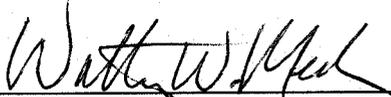
A copy of the notice and summary
was mailed or faxed this 21st day
of February, 2003, to:

Andrew W. Bettwy, Esq.
Associate General Counsel
Southwest Gas Corporation
5241 Spring Mountain Road
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John Reiber
Black Mountain Gas Company
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Phoenix, AZ 85012

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RUCO
1110 W. Washington, Suite 220
Phoenix, AZ 85007



Walter W. Meek

**SUMMARY OF THE PRE-FILED REBUTTAL TESTIMONY
OF WALTER W. MEEK**

Mr. Meek urges the Commission to approve the proposed acquisition by Southwest Gas Corporation (SWG) of the outstanding shares of Black Mountain Gas Company (BMG). He asserts that all parties, including the customers of BMG, will benefit from the transaction and, therefore, it is in the public interest.

Specifically, Mr. Meek argues that BMG customers will eventually benefit from lower margin rates and from various customer service programs that are not currently available from BMG as a stand-alone unit.

Mr. meek agrees with the Staff's finding that the proposed merger is in the public interest, but disagrees with certain conditions suggested by Staff that would:

- Prohibit SWG from recovering any costs associated with the acquisition.
- Require the dissolution of BMG as a corporation by July 1, 2004, to achieve implementation of SWG's lower margin rates, or that a BMG rate case be filed on that date.

Alternatively, Mr. Meek suggests that dissolution of BMG should be concurrent with the implementation of newly authorized SWG rates and that SWG be required to file a rate case before the end of 2004.

Mr. Meek notes that this transaction involves less than one-fifth of the incremental increase in new customers that SWG experiences every year and urges the Commission to approve the acquisition without attaching conditions with negative financial consequences that could make the transaction undesirable to the purchaser.