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BEFORE THE ARIZONA CORPORATION COMMISSION

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Chairman
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Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION
DOCUMENT CONTROL

JUL 17 2003

DOCKETED BY *CM*

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

**BLACK MOUNTAIN GAS COMPANY'S
EXCEPTIONS TO RECOMMENDED
OPINION AND ORDER**

Black Mountain Gas Company ("BMG") hereby submits its exceptions and proposed amendments to the recommended form of opinion and order ("the Recommended Order") filed in the above-captioned docket on July 8, 2003. BMG believes the acquisition is in the public interest. For the many reasons supported by the record, Southwest Gas is an appropriate entity to acquire this system and provide service to BMG's customers. Many of the benefits that accrue from the acquisition, accrue because Southwest Gas can bring to bear the efficiencies and additional services resulting from the fact that it already provides gas service to customers adjacent to BMG's Cave Creek service area. Because of the clear benefits to the BMG ratepayers that result from this acquisition, BMG urges that the acquisition be approved at this Open Meeting so the ratepayers can begin receiving these benefits without further delay. BMG therefore urges the Commission to adopt the Recommended Order approving the acquisition, but with the following amendments.

1) On page 2, at lines 8 and 9, the Recommended Order incorrectly states that BMG mailed notice of this proceeding to its customers on February 4, 2003. BMG mailed notice of the proceeding to its customers during the October 2002 billing cycle, and received confirmation of the mailing on November 1, 2002. See Notice of Filing Public Notice of Hearing, (February 5, 2003).

2) Also on page 2, at lines 1 through 4, the Recommended Order recites the number of customers served by BMG. BMG currently serves 8,380 regulated customers in and around Cave Creek, Carefree, Phoenix and Scottsdale, Arizona. BMG serves 1,309 regulated customers in Page, Arizona.

RESPECTFULLY SUBMITTED this 17th day of July, 2003

FENNEMORE CRAIG, P.C.

By 

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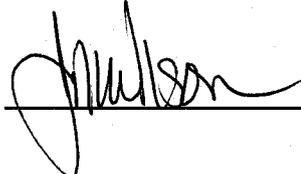
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PHX/1440744

**BLACK MOUNTAIN GAS COMPANY'S
PROPOSED AMENDMENT #1**

TIME/DATE PREPARED: 9:00 a.m. / July ____, 2003

COMPANY: BLACK MOUNTAIN GAS
COMPANY

AGENDA ITEM NO.:

DOCKET NO.: G-01551A-02-0425

OPEN MEETING DATE: July ____, 2003

PAGE 2, LINE 8, DELETE: On February 4, 2003, BMG nailed notice of the proceeding to its customers pursuant to Procedural Order dated September 11, 2002.

PAGE 2, LINE 8, INSERT: BMG mailed notice of the proceeding to its customers during the October 2002 billing cycle pursuant to Procedural Order dated September 11, 2002.

**BLACK MOUNTAIN GAS COMPANY'S
PROPOSED AMENDMENT #2**

TIME/DATE PREPARED: 9:00 a.m. / July ____, 2003

COMPANY: BLACK MOUNTAIN GAS
COMPANY

AGENDA ITEM NO.:

DOCKET NO.: G-01551A-02-0425

OPEN MEETING DATE: July ____, 2003

PAGE 2, LINE 1, DELETE: BMG serves approximately 7,260 customers in and around Cave Creek, Carefree, Phoenix and Scottsdale ("Cave Creek Division"), and approximately 2,400 propane customers in Page, Arizona ("Page Division").

PAGE 2, LINE 1, INSERT: BMG serves approximately 8,380 customers in and around Cave Creek, Carefree, Phoenix and Scottsdale ("Cave Creek Division"), and approximately 1,309 propane customers in Page, Arizona ("Page Division").

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