

NEW APPLICATION



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March 21, 2003

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Arizona Corporation Commission  
Attention: Ernest J. Johnson, Director  
Utilities Division

AZ CORP COMMISSION  
DOCUMENT CONTROL

1200 West Washington Street  
Phoenix, Arizona 85007

G-01551A-03-0172

G-01970A-03-0172

Arizona Corporation Commission

DOCKETED

MAR 21 2003

Re: Application for Approval of Borderline Agreement  
Southwest Gas Corporation/Black Mountain Gas Company  
Dockets Nos. U-1970-96-623, U-1551-96-623,  
U-1970-97-018 & U-1551-97-018

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Dear Mr. Johnson:

This Application is submitted jointly by Southwest Gas Corporation ("Southwest") and Black Mountain Gas Company ("Black Mountain"). In essence, this Application seeks Commission approval of an agreement between Southwest and Black Mountain to realign the boundaries of their respective adjoining service territories ("Borderline Agreement") in order to accommodate efficiently and cost-effectively the provision of natural gas service to a development ("Mirabel") which extends across the service territories of both Southwest and Black Mountain.

Accompanying this Application are the originals of the Borderline Agreement and a letter from a Mirabel representative supporting the realignment envisioned in the Borderline Agreement. Exhibit "A" to the Borderline Agreement is a copy of the Mirabel master plan, which is comprised of a legal description of the development and a depiction of the proposed realignment.

In Decision No. 60498, dated November 25, 1997, the Commission approved a settlement agreement between Southwest and Black Mountain which, *inter alia*, approved an agreed-upon realignment of the boundaries of the respective adjoining service territories of Southwest and Black Mountain.

The Commission-approved settlement agreement includes the following provision:

4. Southwest and Black Mountain include this specific statement of intent to work together in good faith in the future to ensure that (a) in the event an alignment of service territories different than expressed in this Agreement is desired by the parties, an effort will be made to establish [by agreement] the different alignment and (b) whenever such a different alignment is established, the effectiveness of such agreement shall be made subject to prior approval of the Commission.

Arizona Corporation Commission

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The Mirabel development presented an opportunity for Southwest and Black Mountain to implement the above-quoted provision. Southwest and Black Mountain have executed an agreement [See accompanying Borderline Agreement] and, by its terms, the agreement is not effective until approved by the Commission.

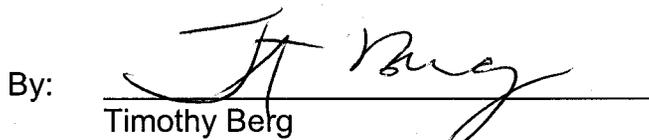
Respectfully submitted,

Southwest Gas Corporation

By: 

Andrew W. Bettwy  
Assistant General Counsel  
5241 Spring Mountain Road  
Las Vegas, Nevada 89150  
(702) 876-7107  
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andy.bettwy@swgas.com

Black Mountain Gas Company

By: 

Timothy Berg  
*Fennemore, Craig PC*  
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(602) 916-5421  
(602) 916-5621 - fax  
tberg@fclaw.com

Enclosures

**GAS SERVICE  
BORDERLINE AGREEMENT**

This AGREEMENT is made between BLACK MOUNTAIN GAS COMPANY, a Minnesota corporation, with offices at 6021 E. Cave Creek Road, P.O. Box 427, Cave Creek, Arizona, 85327 ("BMG") and SOUTHWEST GAS CORPORATION, a California corporation, with offices at P.O. Box 52075, Phoenix, Arizona, 85072 ("SWG"). BMG and SWG hereafter be referred to collectively as "Parties".

**RECITALS:**

- A. SWG provides natural gas service in Maricopa County, Arizona;
- B. SWG holds a Certificate of Convenience and Necessity that was issued by the Arizona Corporation Commission ("Commission") and authorizes SWG to provide natural gas service;
- C. BMG holds a Certificate of Convenience and Necessity issued by the Commission that authorizes BMG to provide natural gas service;
- D. The real properties known as Mirabel Villages 1, 4, 6, 9 & 12 are located such that portions of the properties lay partially within the area of SWG's Certificate of Convenience and Necessity and partially in the area of BMG's Certificate of Convenience and Necessity. The real property known as Mirabel Village 10 is located adjacent to the service territory of BMG but is located entirely in the area of SWG's Certificate of Convenience and Necessity. The legal descriptions are attached as Exhibit "A";
- E. Mirabel has requested that gas service be provided to the Mirabel Villages;
- F. To maximize the efficiencies of both organizations, SWG and BMG have agreed that BMG may provide gas service to Mirabel Villages 1, 4, 9, 10 & 12 and SWG may provide gas service Mirabel Village 6.
- G. This Agreement will become effective when approved by the Commission.

THEREFORE, the Parties agree as follows:

**1. Authorizations.**

BMG is authorized by SWG to enter the areas of Mirabel Villages 1, 4, 9, 10 & 12 property which are located within SWG's certificated area to construct and maintain gas service lines and facilities necessary to serve these Villages. BMG's tariffs, service rules and regulations and rate schedules will be applicable to customers in Mirabel Villages 1, 4, 9, 10 & 12.

SWG is authorized by BMG to enter the areas of Mirabel Village 6 property which is located within BMG's certificated area to construct and maintain gas service lines and facilities necessary to serve this Village. SWG's tariffs, service rules and regulations and rate schedules will be applicable to customers in Mirabel 6.

**2. Successors and Assigns.**

This Agreement will be binding upon and inure to the benefit of the Parties and their successors and assigns.

**3. Effective Date.**

This Agreement will become effective when approved by the Commission.

BLACK MOUNTAIN GAS COMPANY,  
A Minnesota corporation

By: John Reiber

Name: JOHN REIBER

Title: PRESIDENT AND CEO

Date: 2/21/03

SOUTHWEST GAS CORPORATION,  
A California corporation

By: James F. Lowman

Name: JAMES F. LOWMAN

Title: SENIOR VICE PRESIDENT

Date: 2/24/2003





# M I R A B E L

February 19, 2003

To: The Arizona Corporation Commission  
Black Mountain Gas Company  
Southwest Gas Company

Dear parties reviewing,

Please consider this letter the supporting document that would allow Black Mountain Gas Company to serve all of Villages 1, 4, 9, 10 and 12 in Mirabel. Southwest Gas Company will serve all of Village 6.

We have asked Black Mountain Gas Company (BMG) and Southwest Gas Company (SWG) to serve all the Villages as described above because it is in the best interest of Mirabel and our future residents. This arrangement will also avoid the duplication of facilities.

We know that SWG and BMG are willing to serve all of the Villages as described above and we ask that the Arizona Corporation Commission support this effort.

We would like to thank all parties for their cooperation in supporting this effort.

Sincerely,

A handwritten signature in cursive script that reads 'Steve Adelson'.

Steve Adelson  
President of The Mirabel Club