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SOUTHWEST GAS CORPORATION

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Roger C. Montgomery, Vice President/Pricing

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

December 30, 2008

Docket Control Office
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

Subject: Docket No. G-01551A-07-0504, Decision No. 70665

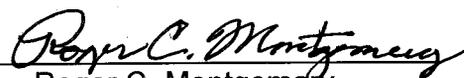
In accordance with Decision No. 70665, dated December 24, 2008, Southwest Gas Corporation (Southwest) herewith submits for filing an original and thirteen (13) copies of the tariff compliance required in the above referenced docket. Consistent with the requirements of Ordering Paragraph one, revised schedules of rates and charges, effective December 1, 2008, and a proof of revenues, are attached. The rates and charges have been reviewed and approved by Arizona Corporation Commission Staff. The following non-rate changes are also included in this filing:

- Revised the effective date for the Department of Transportation Safety Program charge.
- Changed the reference to Schedule No. G-5, Single-Family Residential Gas Service, to Schedule No. G-6, Multi-Family Residential Gas Service in Schedule No. G-10, Single-Family Low Income Residential Gas Service.
- Increased the PGA bandwidth from \$.13 per therm to \$.15 per therm.
- Increased the GCBA ceiling from \$29.2 million to \$55.78 million.

These changes are reflected in 37th Revised A.C.C. Sheet No. 13, 3rd Revised A.C.C. Sheet No. 19, 6th Revised A.C.C. Sheet No. 87, and 3rd Revised A.C.C. Sheet No. 88, respectively.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Roger C. Montgomery

c: Compliance Section, ACC
Mr. Ernest Johnson, ACC
Mr. Stephen Ahearn, RUCO

Arizona Corporation Commission

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STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/2/}

Description	Delivery Charge	^{3/} Rate Adjustment	^{4/} Monthly Gas Cost	Currently Effective Tariff Rate
G-5 – Single-Family Residential Gas Service				
Basic Service Charge per Month	\$ 10.70			\$ 10.70
Commodity Charge per Therm:				
All Usage	\$.57070	\$.01956	\$.87142	\$ 1.46168
G-6 – Multi-Family Residential Gas Service				
Basic Service Charge per Month	\$ 9.70			\$ 9.70
Commodity Charge per Therm:				
All Usage	\$.55343	\$.01956	\$.87142	\$ 1.44441
G-10 – Single-Family Low Income Residential Gas Service				
Basic Service Charge per Month	\$ 7.50			\$ 7.50
Commodity Charge per Therm:				
Summer (May–October):				
All Usage	\$.55343	\$.00828	\$.87142	\$ 1.43313
Winter (November–April):				
First 150 Therms	\$.26680	\$.00828	\$.87142	\$ 1.14650
Over 150 Therms	.55343	.00828	.87142	1.43313
G-11 – Multi-Family Low Income Residential Gas Service				
Basic Service Charge per Month	\$ 7.50			\$ 7.50
Commodity Charge per Therm:				
Summer (May–October):				
All Usage	\$.55343	\$.00828	\$.87142	\$ 1.43313
Winter (November–April):				
First 150 Therms	\$.26680	\$.00828	\$.87142	\$ 1.14650
Over 150 Therms	.55343	.00828	.87142	1.43313
G-15 – Special Residential Gas Service for Air Conditioning				
Basic Service Charge per Month	\$ 10.70			\$ 10.70
Commodity Charge per Therm:				
Summer (May–October):				
First 15 Therms	\$.57070	\$.00828	\$.87142	\$ 1.45040
Over 15 Therms	.28860	.00828	.87142	1.16830
Winter (November–April):				
All Usage	\$.57070	\$.00828	\$.87142	\$ 1.45040

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Arizona Gas Tariff No. 7

Arizona Division

114th Revised A.C.C. Sheet No. 12
 Canceling 113th Revised A.C.C. Sheet No. 12

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

Description	Delivery Charge	3/ Rate Adjustment	4/ Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-20 – Master-Metered Mobile Home Park Gas Service</u>				
Basic Service Charge per Month	\$ 66.00			\$ 66.00
Commodity Charge per Therm:				
All Usage	\$.40830	\$.01956	\$.87142	\$ 1.29928
<u>G-25 – General Gas Service</u>				
Basic Service Charge per Month:				
Small	\$ 27.50			\$ 27.50
Medium	43.50			43.50
Large	160.00			160.00
Transportation Eligible	950.00			950.00
Commodity Charge per Therm:				
Small, All Usage	\$.57059	\$.00828	\$.87142	\$ 1.45029
Medium, All Usage	.37996	.00828	.87142	1.25966
Large, All Usage	.29084	.00828	.87142	1.17054
Transportation Eligible	.10776	.00828	.87142	.98746
Demand Charge per Month– Transportation Eligible:				
Demand Charge ^{4/}	\$.06234			\$.06234
<u>G-30 – Optional Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 27.			
Commodity Charge per Therm:				
All Usage	As specified on A.C.C. Sheet No. 28.			
<u>G-40 – Air-Conditioning Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 32.			
Commodity Charge per Therm:				
All Usage	\$.11010	\$.00828	\$.87142	\$.98980
<u>G-45 – Street Lighting Gas Service</u>				
Commodity Charge per Therm of Rated Capacity:				
All Usage	\$.61050	\$.00828	\$.87142	\$ 1.49020
<u>G-55 – Gas Service for Compression on Customer's Premises ^{5/}</u>				
Basic Service Charge per Month:				
Small	\$ 27.50			\$ 27.50
Large	250.00			250.00
Residential	10.70			10.70
Commodity Charge per Therm:				
All Usage	\$.18678	\$.00828	\$.87142	\$ 1.06648
<u>G-60 – Electric Generation Gas Service</u>				
Basic Service Charge per Month	As specified on A.C.C. Sheet No. 40.			
Commodity Charge per Therm:				
All Usage	\$.13535	\$.00828	\$.87142	\$ 1.01505
<u>G-75 – Small Essential Agricultural User Gas Service</u>				
Basic Service Charge per Month	\$ 120.00			\$ 120.00
Commodity Charge per Therm:				
All Usage	\$.24396	\$.00828	\$.87142	\$ 1.12366

Issued On December 30, 2008
 Docket No. G-01551A-07-0504

Issued by
 John P. Hester
 Senior Vice President

Effective December 1, 2008
 Decision No. 70665

STATEMENT OF RATES
EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES ^{1/ 2/}
(Continued)

Description	Delivery Charge	^{3/} Rate Adjustment	Monthly Gas Cost	Currently Effective Tariff Rate
<u>G-80 – Natural Gas Engine ^{6/} Gas Service</u>				
Basic Service Charge per Month:				
Off-Peak Season (October–March)	\$ 0.00			\$ 0.00
Peak Season (April–September)	\$125.00			\$125.00
Commodity Charge per Therm:				
All Usage	\$.19069	\$.00828	\$.94440	\$ 1.14337

- 1/ All charges are subject to adjustment for any applicable taxes or governmental impositions.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Commodity Charge per Therm less the Monthly Gas Cost, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$.00865 per therm for distribution shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. The shrinkage charge shall be updated annually effective May 1. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months.
- 3/ (a) For Schedule Nos. G-5, G-6 and G-20, the Rate Adjustment includes \$.01128 per therm to recover LIRA program costs. This charge shall be updated annually effective May 1.
- (b) For all rate schedules except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00423 per therm to fund DSM Program costs. This charge shall be updated annually effective the first billing cycle in April.
- (c) For all rate schedules, except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00111 per therm for the Gas Research Fund. This charge shall be updated annually effective May 1.
- (d) For all rate schedules, the Rate Adjustment includes \$.00294 per therm for the Department of Transportation (DOT) Safety Program costs. This charge shall be updated annually effective March 1.
- 4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.
- 5/ The charges for Schedule No. G-55 are subject to adjustment for applicable state and federal taxes on fuel used in motor vehicles.
- 6/ The gas cost for this rate schedule shall be updated seasonally, April 1 and October 1 of each year.

Schedule No. G-10

SINGLE-FAMILY LOW INCOME RESIDENTIAL GAS SERVICE

APPLICABILITY

Applicable to gas service to the primary residences of low income residential customers who would otherwise be provided service under Schedule No. G-5 and who meet the criterion which establishes that a qualifying customer's household income must not exceed 150 percent of the Federal poverty level.

TERRITORY

Throughout the certificated area served by the Utility in the communities as set forth on A.C.C. Sheet No. 8 of this Arizona Gas Tariff.

RATES

The basic service charge is set forth in the currently effective Statement of Rates of this Arizona Gas Tariff and is incorporated herein by reference. The commodity charge applicable to the first 150 therms per month during the winter season (November through April) delivered under this schedule shall reflect a 20 percent reduction from the commodity charge (excluding the LIRA and Gas Cost Balancing Account rate adjustments) applicable to Schedule No. G-6, the customer's otherwise applicable gas sales tariff schedule.

MINIMUM CHARGE

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. Eligibility requirements for the Low Income Residential Gas Service are set forth on the Utility's Application and Declaration of Eligibility for Low Income Ratepayer Assistance form. Customers must have an approved application form on file with the Utility. Recertification will be required prior to November 1 every two years and whenever a customer moves to a new residence within the Utility's service area.

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION

APPLICABILITY

This Purchased Gas Cost Adjustment Provision shall apply to all schedules except for Schedule Nos. G-30 and G-80 of this Arizona Gas Tariff.

CHANGE IN RATES

The Monthly Gas Cost (MGC) rate for schedules covered by this provision includes the sum of the rolling twelve-month average purchased gas (PGA) rate plus the Gas Cost Balancing Account Adjustment, if applicable. Monthly adjustments will be made to the MGC to reflect the most currently available PGA rate. In accordance with Decision No. 70665, the PGA rate included in the MGC rate cannot be more than \$.15 per therm different than any PGA rate in effect during the preceding 12 months.

BANK BALANCE

The Utility shall establish and maintain a Gas Cost Balancing Account, if necessary, for the schedules subject to this provision. Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) an amount determined by multiplying the Monthly Gas Cost Rate as set forth on Sheet Nos. 11 and 12 of this Arizona Gas Tariff by the terms billed during the month under the applicable schedules of this Arizona Gas Tariff.
2. A debit or credit entry for refunds or payments authorized by the Commission.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the monthly one-year nominal Treasury constant maturities rate.

SPECIAL SUPPLEMENTARY TARIFF
PURCHASED GAS COST ADJUSTMENT PROVISION
(Continued)

MONTHLY INFORMATION FILINGS

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by the Commission. Additionally, the Utility shall file revised tariff sheets that include the current month's MGC rate.

ADDITIONAL REQUIREMENTS

A special review is required if the Gas Cost Balancing Account (GCBA) reaches \$55.78 million. The Utility must file an application for a Gas Cost Balancing Account adjustment within forty-five (45) days of completing the Monthly Informational Filing that illustrates the threshold has been exceeded or contact the Commission to discuss why an adjustment is not necessary at this time. The Commission, upon review, may authorize the balance to be amortized through a predetermined rate included as part of the MGC for a specified period. Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or one percent (1%) of total annual purchases.

Proof
of
Revenues

SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
CALCULATION OF PROPOSED RATES AND REVENUES BY RATE COMPONENT
FOR THE TWELVE MONTHS ENDED APRIL 30, 2007

Line No.	Description (a)	Proposed Schedule Number (b)	Billing Determinants		Revenue at Proposed Rates			Line No.
			Number of Bills (c)	Sales (Therms) (d)	Commodity Change (f)	Basic Service Charge (e)	Commodity Change (h)	
Single-Family Residential Gas Service								
Summer (May - October)								
1	Basic Service Charge per Month	G-5	5,107,659	\$ 10.70	\$ 54,654,091		\$ 54,654,091	1
2	Commodity Change per Therm				\$ 0.57070	\$ 27,421,359	27,421,359	2
3	First 15 Therms			48,048,640	\$ 0.57070	9,135,255	9,135,255	3
	Over 15 Therms			16,007,105				
4	Winter (November - April)		5,190,171	\$ 10.70	\$ 55,534,830		\$ 55,534,830	4
5	Commodity Change per Therm				\$ 0.57070	76,448,893	76,448,893	5
6	First 35 Therms			133,956,357	\$ 0.57070	51,958,818	51,958,818	6
7	Over 35 Therms			91,044,013				7
	Total Single-Family Residential Gas Service		10,298,030	289,056,115		\$ 164,964,325	\$ 275,153,246	
Low Income Single-Family Residential Gas Service								
Summer (May - October)								
8	Basic Service Charge	G-10	153,923	\$ 7.50	\$ 1,154,423		\$ 1,154,423	8
9	Commodity Change per Therm				\$ 0.55343	\$ 829,896	829,896	9
10	Summer (May - October)			1,499,731	0.55343	190,265	190,265	10
	First 15 Therms			343,782				
	Over 15 Therms							
11	Winter (November - April)		156,883	\$ 7.50	\$ 1,177,373		\$ 1,177,373	11
12	Commodity Change per Month				0.55343	2,340,821	2,340,821	12
13	First 35 Therms			4,229,842	0.55343	1,401,749	1,401,749	13
14	Next 115 Therms			2,532,839	0.55343	29,204	29,204	14
15	Over 150 Therms			52,769	0.55343	4,792,135	4,792,135	15
	Total Low Income Single-Family Residential Gas Service		310,806	8,659,872		\$ 2,331,796	\$ 7,123,931	
Multi-Family Residential Gas Service								
Summer (May - October)								
16	Basic Service Charge per Month	G-6	182,409	\$ 9.70	\$ 1,769,367		\$ 1,769,367	16
17	Commodity Change per Therm				\$ 0.55343	\$ 578,020	578,020	17
18	First 7 Therms			1,044,432	0.55343	525,761	525,761	18
	Over 7 Therms			950,005				
19	Winter (November - April)		188,153	\$ 9.70	\$ 1,825,084		\$ 1,825,084	19
20	Commodity Change per Month				0.55343	1,457,231	1,457,231	20
21	First 18 Therms			2,633,090	0.55343	1,040,743	1,040,743	21
22	Over 18 Therms			1,860,532				22
	Total Multi-Family Residential Gas Service		370,562	6,508,059		\$ 3,594,451	\$ 7,196,206	

SOUTHWEST GAS CORPORATION
ARIZONA DIVISION
CALCULATION OF PROPOSED RATES AND REVENUES BY RATE COMPONENT
FOR THE TWELVE MONTHS ENDED APRIL 30, 2007

Line No.	Description (a)	Proposed Schedule Number (b)	Billing Determinants			Revenue at Proposed Rates			Line No.	
			Number of Bills (c)	Sales (Therms) (d)	Basic Service Charge (e)	Commodity Change (f)	Basic Service Charge (g)	Commodity Change (h)		Total Margin (i)
Low Income Multi-Family Residential Gas Service										
Summer (May - October)										
1	Basic Service Charge per Month	G-11	13,560		\$ 7.50		\$ 101,700		\$ 101,700	1
2	Commodity Charge per Therm			79,822		0.55343		\$ 44,176		2
3	First 7 Therms			78,071		0.55343		43,207		3
4	Over 7 Therms									
Winter (November - April)										
4	Basic Service Charge per Month		13,828		\$ 7.50		\$ 103,710		\$ 103,710	4
5	Commodity Charge per Therm			207,982		0.55343		115,104		5
6	First 18 Therms			186,423		0.55343		103,172		6
7	Next 132 Therms			345		0.55343		191		7
8	Over 150 Therms			552,643			\$ 205,410	\$ 305,950	\$ 511,260	8
Total Low Income Multi-Family Residential Gas Service										
Special Residential Gas Service for A/C										
Summer (May - October)										
9	Basic Service Charge per Month	G-15	648		\$ 10.70		\$ 6,934		\$ 6,934	9
10	Commodity Charge per Therm			7,899		0.57070		\$ 4,508		10
11	First 15 Therms			65,327		0.28860		18,853		11
12	Over 15 Therms									
Winter (November - April)										
12	Basic Service Charge per Month		648		\$ 10.70		\$ 6,934		\$ 6,934	12
13	Commodity Charge per Therm			19,309		0.57070		11,020		13
14	First 35 Therms			48,985		0.57070		27,956		14
15	Over 35 Therms			141,520			\$ 13,867	\$ 62,337	\$ 76,204	15
16	Total Special Residential Gas Service		11,008,182	304,917,309			\$116,334,445	\$173,726,402	\$ 280,060,847	16
Total Residential Gas Service										
Master Metered Mobile Home Park Gas Service										
Summer (May - October)										
17	Basic Service Charge per Month	G-20	1,968		\$ 66.00		\$ 129,888		\$ 129,888	17
18	Commodity Charge per Therm All Usage			2,223,993		0.40830		\$ 908,056		18
19	All Usage			2,223,993			\$ 129,888	\$ 908,056	\$ 1,037,944	19
Total MMHP Gas Service										
General Gas Service - Small										
Summer (May - October)										
20	Basic Service Charge	G-25(S)	201,805		\$ 27.50		\$ 5,549,638		\$ 5,549,638	20
21	Commodity Charge per Therm All Usage			10,138		0.57059		\$ 5,785		21
22	Transportation Customers			5,010,616		0.57059		2,859,007		22
23	Sales Customers		201,805	5,020,754			\$ 5,549,638	\$ 2,864,792	\$ 8,414,430	23
Total Small General Gas Service										
General Gas Service - Medium										
Summer (May - October)										
24	Basic Service Charge	G-25(M)	183,790		\$ 43.50		\$ 8,429,865		\$ 8,429,865	24
25	Commodity Charge per Therm All Usage			172,365		0.37996		\$ 65,492		25
26	Transportation Customers			45,357,904		0.37996		17,234,189		26
27	Sales Customers		183,790	45,530,269			\$ 8,429,865	\$ 17,299,661	\$ 25,729,546	27

