

ORIGINAL

NEW APPLICATION



0000093503



SOUTHWEST GAS CORPORATION

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Roger C. Montgomery, Vice President/Pricing

AZ CORP COMMISSION
DOCKET CONTROL

January 30, 2009

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

G-01551A-09-0039

Subject: Demand Side Management (DSM) Surcharge

Southwest Gas Corporation (Southwest) herewith submits for filing an original and thirteen (13) copies of the following proposed tariff sheet to its Arizona Gas Tariff No. 7:

A Revised A.C.C. Sheet No. 13

The purpose of this filing is to seek Commission approval to revise the Demand Side Management (DSM) surcharge effective the first billing cycle in April 2009, the same date the April 2009 Monthly Gas Cost will become effective. The requested surcharge is \$.00390 per therm, which will replace the currently effective rate of \$.00423 per therm. This tariff sheet is for illustrative purposes only as the Monthly Gas Cost will change in the interim period. Additionally, Southwest has filed a proposed revision to the Department of Transportation (D.O.T.) surcharge that will also change in the interim period, if approved by the Commission. The entire Statement of Rates, including the revised surcharges, will be submitted with the April 2009 Monthly Gas Cost filing.

Southwest is supplying the backup data for this filing under separate cover to Utilities Division Staff and the Residential Utility Consumer Office (RUCO).

Southwest respectfully requests the Commission approve the proposed tariff change to become effective with the first billing cycle in April 2009 (April 1, 2009).

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: Roger C. Montgomery
Roger C. Montgomery

c: Mr. Ernest Johnson, ACC
Mr. Robert Gray, ACC
Mr. Stephen Ahearn, RUCO

Arizona Corporation Commission
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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	\$.00795	\$.94440	\$ 1.14304

- 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 \$.00390 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.

SOUTHWEST GAS CORPORATION
ARIZONA
COMPUTATION OF DSM SURCHARGE

Line No.	Description (a)	Volume (b)	Amount (c)	Line No.
1	2009 Projected DSM Program Costs (Pursuant to Decision No. 70665 in Docket No. G-0551A-07-0504)		\$ 4,400,000	1
	Adjustments to calculate new DSM Surcharge			
2	DSM Balancing Account Balance @ December 31, 2008		(910,878)	2
3	Estimated Recoveries, January - March, 2009		(1,218,322)	3
4	Estimated Accruals, January - March, 2009 [1]		<u>234,823</u>	4
5	Total to be Recovered (Lines 1 - 4)		<u>\$ 2,505,623</u>	5
6	Terms applicable to the DSM Surcharge [2]	643,139,512		6
7	DSM Surcharge Rate Per Therm		<u>\$ 0.00390</u>	7

[1] 2008 Accruals divided by 4.
[2] See Sheet 4.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED DSM RECOVERIES**

Line No.	Description (a)	Projected Volumes [1] (b)	Surcharge Per Therm (c)	Estimated Recovery (d)	Line No.
1	January, 2009	114,790,675	\$ 0.00423	\$ 485,565	1
2	February, 2009	100,654,674	\$ 0.00423	\$ 425,769	2
3	March, 2009	72,574,134	\$ 0.00423	\$ 306,989	3
4	Total	<u>288,019,483</u>	<u>\$ 0.00423</u>	<u>\$ 1,218,322</u>	4

[1] 2008 actual volumes are used for projection.

SOUTHWEST GAS CORPORATION
ARIZONA
DEMAND SIDE MANAGEMENT PROGRAMS
EXPENDITURES BY MONTH AND BY DSM PROGRAM
FOR THE TWELVE MONTHS ENDED DECEMBER 2008

Line No.	Description (a)	Commercial Programs										Total (i)	Line No.	
		Low Income Energy Conservation (b)	Energy Star Home (c)	Technology Information Center (d)	Spray Rinse Valves (e)	Commercial Equipment (f)	Distributed Generation (g)	Consumer Products (h)	Bill Assistance (i)					
1	January-08	84,625	27,458	-	-	29,827	-	-	-	29,000	-	-	170,910	1
2	February-08	-	400	-	-	-	-	-	-	426	-	-	826	2
3	March-08	-	14,825	-	-	-	-	-	1,172	52	-	-	16,049	3
4	April-08	375	16,722	-	-	4,546	-	323	323	16,294	-	-	38,260	4
5	May-08	-	29,923	631	-	4,787	-	-	-	5,948	-	-	41,289	5
6	June-08	7,500	17,948	-	-	17	-	237	-	17,992	-	-	43,694	6
7	July-08	344,767	18,056	-	-	1,072	-	-	-	6,284	-	50,000	420,179	7
8	August-08	400	9,095	400	-	2,436	-	-	-	17,090	-	-	29,421	8
9	September-08	-	6,369	-	-	1,100	-	-	-	808	-	-	8,277	9
10	October-08	-	68	6,250	-	550	-	-	-	25,658	-	-	32,526	10
11	November-08	(221)	11,827	-	-	-	-	-	-	87	-	-	11,693	11
12	December-08	84,918	23,636	-	-	1,100	-	-	-	16,515	-	-	126,169	12
13	Total	\$ 522,364	\$ 176,327	\$ 7,281	\$ -	\$ 45,435	\$ 1,732	\$ 136,154	\$ 50,000	\$ 939,293				

SOUTHWEST GAS CORPORATION
ARIZONA
VOLUMES APPLICABLE TO DSM SURCHARGE

Line No.	January-08	February-08	March-08	April-08	May-08	June-08	July-08	August-08	September-08	October-08	November-08	December-08	Total	Line No.
1	124,483,552	109,498,607	81,454,933	56,535,201	48,004,851	42,426,121	38,364,527	36,275,228	38,197,439	39,854,987	49,669,190	73,710,003	738,474,639	1
Exempt Customer Contracts														
2	116,452	99,710	89,322	62,266	49,902	67,694	48,690	73,589	60,410	66,287	68,425	66,169	668,916	2
3	379,735	352,105	336,368	332,285	308,374	294,412	294,738	277,918	307,760	293,722	276,522	277,757	3,731,706	3
4	134,729	120,325	115,427	110,682	119,584	102,618	108,208	116,011	96,389	96,982	107,032	125,352	1,353,349	4
5	133,783	115,472	105,379	111,769	105,075	106,447	102,244	107,519	117,073	114,208	104,843	98,965	1,322,777	5
6	371,186	340,718	411,647	345,517	320,706	355,861	312,933	216,091	161,099	107,751	184,043	223,078	3,350,630	6
7	264,564	276,866	302,188	286,689	278,721	294,382	296,684	272,421	286,026	303,121	264,056	290,527	3,418,235	7
8	236,349	244,775	228,387	234,886	227,331	211,519	226,134	233,838	231,273	225,372	211,561	236,143	2,749,578	8
9	90,079	110,040	139,467	116,683	101,756	68,614	71,974	60,101	66,700	55,470	48,806	102,929	1,032,619	9
10	658,817	694,389	773,267	713,953	758,964	689,209	669,688	569,718	531,510	605,273	672,660	708,968	8,046,434	10
11	48,205	46,660	57,054	61,317	56,894	51,069	48,075	38,066	41,110	45,449	80,192	39,867	613,958	11
12	-	-	-	-	-	-	-	-	-	105,750	127,328	1,356	234,434	12
13	163,688	156,223	158,118	157,667	151,919	134,326	148,181	152,306	152,496	160,459	135,119	143,842	1,814,354	13
14	107,620	175,050	160,405	179,939	162,313	152,382	94,456	146,758	147,060	162,057	179,026	176,249	1,843,315	14
15	2,260,725	1,834,847	1,596,301	1,181,444	946,267	634,555	589,129	611,478	807,372	1,190,099	1,621,818	2,125,462	15,419,497	15
16	261,601	191,682	240,429	208,474	193,513	199,840	178,764	221,091	161,038	205,085	201,148	237,863	2,500,528	16
17	862,444	859,113	873,119	866,668	795,179	849,762	980,281	965,765	852,423	872,725	848,121	811,333	10,436,933	17
18	180,883	173,483	182,677	177,580	201,820	163,452	181,446	200,988	200,280	195,724	192,204	189,708	2,240,243	18
19	71,134	65,093	61,886	67,297	65,184	62,136	53,415	33,825	44,187	51,242	112,140	74,958	762,497	19
20	3,350,873	2,987,392	3,049,358	1,965,714	2,220,589	1,977,254	2,947,351	3,294,954	3,187,310	2,133,412	3,235,020	3,247,897	33,597,124	20
21	9,692,877	8,843,933	8,880,799	7,180,850	7,064,091	6,435,532	7,352,391	7,592,437	7,451,516	6,990,198	8,670,064	9,180,439	95,335,127	21
22	114,790,675	100,654,674	72,574,134	49,354,351	40,940,760	35,990,589	31,012,136	28,682,791	30,745,923	32,864,789	40,999,126	64,529,564	643,139,512	22