

ORIGINAL



SOUTHWEST GAS CORPORATION



0000105728

November 30, 2009

Mr. Steve Olea, Director
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007-2996

Arizona Corporation Commission

DOCKETED

DEC - 4 2009

DOCKETED BY

Subject: G-01551A-89-0102, G-01551A-91-0069, D.57075

Dear Mr. Olea:

In compliance with Decision No. 57075, Southwest Gas Corporation (Southwest) hereby files an original and seventeen copies of the 2009 Arizona Annual Gas Procurement Plan. One additional copy is enclosed for date-stamp and return to Southwest in the self-addressed, stamped envelope provided.

If you have any questions, please contact me at (702) 876-7163.

Respectfully,

Debra S. Gallo, Director
Government & State Regulatory Affairs

DSJ:kmt
Enclosure

cc: Robert Gray, ACC w/ enclosure
Brian Bozzo, ACC w/ enclosure
Jodi Jerich, RUCO w/ enclosure

RECEIVED
2009 DEC -4 P 2: 22
AZ CORP COMMISSION
DOCKET CONTROL



SOUTHWEST GAS CORPORATION

BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of the Submittal by)	DOCKET NOS. G-01551A-89-0102
SOUTHWEST GAS CORPORATION of)	G-01551A-91-0069
its 2009 ANNUAL GAS PROCUREMENT)	DECISION NO. 57075
PLAN for Its Arizona Operations)	Formerly: U-1551-89-102, et al.
<hr/>		

2009

ARIZONA

ANNUAL GAS PROCUREMENT PLAN

December 1, 2009

**2009
ARIZONA
ANNUAL GAS PROCUREMENT PLAN**

Table of Contents

DESCRIPTION	SECTION
SUMMARY	
SYSTEM SUPPLY GAS ACQUISITION	A
1. System Supply Gas Acquisition Policy Statement	
2. System Supply Gas Acquisition Procedures	
A. Arizona Price Stability Program (APSP)	
B. Term Purchases	
C. Spot Purchases	
D. Use of Financial Instruments	
3. Supply Development Plans	
4. Affiliate – Gas Supplier Relations	
5. Recent Interstate Resource Developments	
A. El Paso Rate Case – RP05-422	
B. El Paso 2008 Rate Case – RP08-426	
C. Phoenix East Valley Lateral	
D. Transwestern Phoenix Project	
E. Arizona Underground Storage	
HISTORICAL MONTHLY PURCHASES	B
Purchased Gas Cost Account Detail	
COMPARATIVE SCHEDULES	C
Comparison of Previously Estimated Gas Purchases to Actual Gas Purchases	
FORECAST OF FUTURE PURCHASES	D
Estimated Gas Purchases	
GLOSSARY OF TERMS	E

SUMMARY

Arizona Corporation Commission (Commission) Decision No. 57075 requires the filing of an Annual Gas Procurement Plan by Southwest Gas Corporation (Southwest).

Section A describes system supply gas acquisition policy, system supply gas acquisition procedures, supply development plans, relations between affiliates and suppliers, and recent developments.

Section B provides historical purchased gas cost account details. The period covered is from September 2008 through August 2009.

Section C compares the forecast from last year's plan to actual gas purchases.

Section D provides a forecast of gas purchases for the period from September 2009 through August 2010.

Section E is a glossary of terms used in this plan.

All sections exclude gas purchases made for service under Special Condition 3 of Schedule No. G-30.

TAB A

SYSTEM SUPPLY GAS ACQUISITION

1. System Supply Gas Acquisition Policy Statement

Southwest endeavors to acquire the best-cost portfolio of natural gas supplies considering price, reliability, flexibility, and protection from short-term market volatility while still providing security of supply to meet sales customer demands. Balancing these factors against costs of competing gas resource alternatives determines the ever-changing supply portfolio "mix." This mix includes a combination of flexible and non-flexible, indexed and fixed-price, with and without interstate capacity, short-term, mid-term, and long-term alternatives. Southwest's portfolio has evolved with the industry to include spot market purchases (one month or less, may be firm or interruptible), term (firm, indexed-price, generally one year or less), and firm price stability purchases. While most of the term contractual arrangements are annual or seasonal, Southwest also considers longer-term supply alternatives.

2. System Supply Gas Acquisition Procedures

Southwest purchases a portfolio of gas supplies pursuant to three purchase processes. These three processes are:

"Arizona Price Stability Program" (APSP) – Fixed-price firm gas supplies and fixed-for-floating index swaps. These supplies mitigate short-term market price volatility. While the fixed-price contracts provide physical gas, the fixed-for-floating index swaps are financial instruments that mitigate the price volatility associated with term first of the month indexed-price purchases. Southwest conducts APSP solicitations periodically throughout the year. Southwest hedges approximately fifty-percent of the annual average forecasted portfolio volume through APSP.

"Term Purchases" – Traditional firm contract supplies that are selected during an annual solicitation. Proposals, or bids, for Term Purchases are evaluated using a cost optimization model. This portion of the portfolio provides the flexible firm peaking supplies that Southwest must have available for reliable service to its sales customers. Term Purchases generally have prices based on a market index.

"Spot Purchases" – The short-term supplies (one month or less, may be firm or interruptible), selected monthly and intra-monthly, that are integral to the "least cost dispatch" efforts. Southwest makes Spot Purchases to fill daily requirements or in lieu of higher cost Term Purchases. Spot Purchases may have either fixed or indexed pricing.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

A. Arizona Price Stability Program (APSP)

The purpose of APSP is to identify and secure contracts that will contribute to the mitigation of short-term market price volatility. The APSP is a programmatic hedge. Southwest solicits volatility mitigation proposals for all of its Arizona service areas. Southwest typically schedules solicitations every three to six weeks throughout the year (excluding the months of September and October).

Southwest's portfolio year begins in November and continues through October of the following year. Southwest solicits APSP bids for the upcoming portfolio year and for one portfolio year beyond that year. Individual solicitations may include bid requests for one or both of the upcoming portfolio years.

In addition to fixed-price physical gas, Southwest solicits fixed-for-floating index swaps. These financial transactions compete directly with, and are an alternative to, fixed-price physical supplies. The combination of a financial fixed-for-floating index swap and a purchase of a firm, first-of-month index-priced physical gas supply achieves the same price as fixed-price physical gas supplies.

Southwest solicits firm fixed-price physical supply offers and fixed-for-floating financial index swap offers, placing those products in direct price competition with each other. Southwest receives the physical fixed-price offers via Instant Messaging (IM) and requests that physical gas suppliers hold their offer open for five minutes. At the same time Southwest is receiving fixed-price physical supply offers, the gas buyers contact Southwest's financial trading counter-parties and request an offer for a fixed-for-floating index swap at a location that is equivalent to the location solicited for receipt of the firm physical fixed-price gas supply. Historically, swap counterparties were contacted by phone, but recent solicitations have been conducted using IM.

Once Southwest receives all of the offers for both physical and financial supply alternatives, the most attractive offer is identified. In comparing financial and physical bids, an adjustment may be made. This adjustment is based on the premium or discount relative to the index that is expected to be associated with a physical index-priced contract. This adjustment makes a bid for an index swap directly comparable to a fixed-price contract.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

A. Arizona Price Stability Program *(Continued)*

Upon review and consideration of current market data, Southwest determines if the most attractive offer is desirable. If Southwest selects an offer, a gas buyer contacts the supplier via a recorded phone line and verbally confirms the purchase. As always, Southwest solicits offers from suppliers with sufficient time before the close of the futures trading to provide sellers time to hedge their sales before the end of the trading period for that day.

With two exceptions, Southwest utilizes this procedure for all APSP solicitations. The first exception is the solicitations that take place in the months of July and August. Southwest begins to secure its term purchases in June of each year (see *infra*, Section B). Southwest wishes to avoid impeding that process with uncertainty about whether the final two APSP purchases will be fixed-price physical supplies or swaps combined with indexed-price term purchases. Thus, Southwest limits the final two APSP purchases (during July and August) to fixed-price physical gas, allowing the entire term purchases portfolio to be resolved as soon as possible.

The second exception relates to APSP purchases for the portfolio year beyond the upcoming portfolio year (currently the 2010/11 portfolio). Southwest only solicits physical gas for this second year. Southwest is concerned that credit limits may cap the amount of swap deals that it is able to do with a particular counterparty. By limiting swap solicitations only to the upcoming portfolio year, the maximum number of deals can be done in each year. Southwest will continue to monitor credit limits and reevaluate this policy in the future as additional experience is gained and additional swap suppliers are added.

B. Term Purchases

Southwest solicits proposals from potential suppliers through an annual process held each spring. The solicitation outlines Southwest's supply needs for a 12-month period beginning the following November 1, which marks the beginning of Southwest's traditional portfolio year. Southwest will also consider longer term proposals, which may span multiple portfolio years.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

B. Term Purchases *(Continued)*

Southwest considers all bona fide proposals that can be practically implemented. Southwest selects the most economically favorable proposals, which are added to the existing supply portfolio, creating the supply "mix." In addition, during this term purchase process, Southwest will also purchase firm, first-of-month indexed-price gas supplies required to match with any fixed-for-floating index swap transactions that were entered into through APSP. Before firm indexed-price supply proposals are evaluated, the existing purchase obligations (primarily from APSP) are confirmed. All offers responsive to the Company's requirements are included among the supply alternatives. Southwest estimates the forward market conditions, including spot market reference prices, for use in evaluating the supply alternatives. This menu of supply alternatives, which includes spot purchases as well as the firm supply proposals, forms the base from which Southwest determines the best-cost mix of gas supplies.

In addition, transportation costs relevant to the various supply proposals are verified and modeled. Any changes in the logistics of transporting the supply alternatives to market must also be determined, considered, and modeled. Further, the parameters for the distribution system operations must be examined to ensure the supply portfolio is consistent with system operational requirements.

Gas Resources Planning uses a computer model to optimize the supply alternatives. The fluctuating daily forecast demands, which are model inputs, define the flexibility required in the portfolio. Contract term, commodity price, demand charges, peaking and swing capabilities, charges for not taking gas (gas inventory charges or GIC), and transportation costs are among the cost factors that are optimized by the model. Outside of the model and prior to selecting specific offers, the selection committee considers the following qualitative factors: reliability; geographic and supplier diversity; authorizations to negotiate/accept; revisions to offers; and opportunities to monetize unused capacity. Model parameters are modified accordingly, given information available at the time, in order to best represent conditions expected during the upcoming portfolio period.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

B. Term Purchases *(Continued)*

Supply sources selected as part of the optimized best-cost mix, but not already authorized or under contract, are identified. Once authorized, Southwest negotiates specific contract terms with suppliers. Diversity and reliability of selected potential suppliers are reviewed in conjunction with the start of negotiations. If negotiated terms or conditions deviate materially from the modeled offer, Southwest re-analyzes the potential supply offer to determine whether it should remain part of the gas supply mix. Additional model runs continue whenever contract terms are finalized, until the portfolio serves all forecasted demands. This iterative process is necessary for evaluating the impact of completed contracts on the remaining supply alternatives.

C. Spot Purchases

(i) Monthly

Subject to review of anticipated demands and available Term Purchases and APSP, Southwest may acquire monthly baseload supplies from the spot market. Such supplies can be purchased either at a fixed or index-related price. Southwest may solicit offers or may purchase supplies via the Intercontinental Exchange ("ICE") internet-based trading platform. Solicitations, when deemed necessary, are made via e-mail to an extensive list of prospective suppliers, typically during the week before the first of each month. Suppliers send responses via facsimile. Southwest's gas buyers, in conjunction with a Gas Resources Planning department observer/participant, review and compare such responses with those available on ICE. Southwest completes purchase arrangements, if any, early enough to make nominations to the respective pipeline(s) for first of the month delivery. Purchase details are confirmed with suppliers via recorded phone line and facsimile.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

C. Spot Purchases *(Continued)*

(ii) Daily

Southwest utilizes several methods and sources to monitor daily spot market prices. If daily spot market supplies are required or desired, Southwest strives to obtain the best price(s) available by canvassing the marketplace. Gas buyers maintain direct contact with spot market suppliers, using a process that includes telephone calls and Instant Messaging originating from both Southwest's gas buyers and supplier marketing representatives. In addition to the traditional direct contact process, the gas buyers also employ the ICE internet-based trading platform. This platform provides real-time next day and same day prices for points on the pipeline grid where Southwest is active in acquiring spot supplies. The direct contact with suppliers and monitoring of ICE is required to stay abreast of price fluctuations in the market, potential loss of spot supplies and other factors that may either impair or facilitate acquisition of daily supplies. This process is, in large part, conducted and completed daily between 5:00 a.m. and 7:00 a.m. Pacific time.

Pipeline nominating procedures permit additional spot market purchase activities at subsequent intervals during the day, but the morning market remains the primary purchasing period. Because of the very short time in which these purchases must be made and nominations completed, Southwest analyzes market pricing information, volumes required or desired, and completes purchase arrangements with supplier representatives in real-time. Daily spot market purchases are usually for one day only, but may be purchased for multi-day periods, up to one-month in duration. Purchase details are confirmed with suppliers via recorded phone line and facsimile.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

D. Use of Financial Instruments

As discussed in Section A, above, Southwest includes the use of fixed-for-floating index swaps in the APSP. Under a fixed-for-floating index swap, if the index is above the agreed upon swap price, the seller pays the buyer (Southwest) the difference between the actual value of the index and the agreed upon swap price. If the index is below the agreed upon swap price, the buyer (Southwest) pays the seller the difference between the swap price and the actual value of the index.

When Southwest combines a fixed-for-floating index swap with a contract for firm physical baseload gas priced based on the same index as the swap, the combination of the swap and the physical purchase are equivalent to a fixed-price physical contract. Thus, this financial instrument provides Southwest with the same level of price mitigation as using firm fixed-price physical gas supplies.

In order to manage the use of financial derivatives, Southwest has acquired Entegrate software from Sungard. This software allows Southwest to manage and monitor financial and physical deals used to stabilize prices. The system is known at Southwest as the Hedge Capture and Control System (HCCS).

Southwest has negotiated contracts with several suppliers of financial hedging products. These contracts conform to International Swaps and Derivatives Association (ISDA) standards. Southwest recently completed ISDA agreements with two new counter-parties, bringing the total number of financial counter-parties to six. Southwest continues to work with other potential suppliers of financial hedging products to expand the diversity and competitiveness of its hedging program.

Southwest will maintain the target of hedging fifty-percent of annual forecasted loads. Fixed-for-floating index swaps (combined with index-priced physical gas) will supply some of the hedges with fixed-price physical supplies providing the remainder. Because the two types of hedges behave the same and are in direct competition with each other, the impact on the price volatility mitigation portion of the portfolio is virtually identical. However, through the use of swaps, additional counter-parties have been added into Southwest's potential supplier

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

2. System Supply Gas Acquisition Procedures *(Continued)*

D. Use of Financial Instruments *(Continued)*

mix. This reduces Southwest's counter-party credit risk by spreading the agreements among more counter-parties, and also ensures that potential counter-party concerns about credit risk with Southwest would not limit the number of participating suppliers.

After gaining more experience with swaps, Southwest may consider incorporating other derivatives into the portfolio mix, but will consult with ACC Staff prior to implementing any changes to APSP that will integrate other derivatives.

3. Supply Development Plans

Southwest has no plans to develop any new sources of gas supply as it relates to exploration and production endeavors or the purchase of in-ground gas reserves.

4. Affiliate – Gas Supplier Relations

Southwest has no affiliate gas supplier relations.

5. Recent Interstate Resource Developments

A. El Paso Rate Case – RP05-422

- (i) **Article 11.2** – On September 5, 2008, the FERC issued an Order on Rehearing and Compliance addressing the continued applicability of Article 11.2 of El Paso's 1996 Settlement. The Order stated the focus of Article 11.2 is the service obligation under the eligible TSAs, not the capacity used to meet the service obligation. FERC further stated that the Block Capacity was needed to provide firm service to former Full Requirement shippers.

In addition, FERC stated that El Paso may not apply the California Article 11.2 escalated base rate (sometimes erroneously referred to as a rate cap) to portions of the Block Capacity that do not have California delivery points. The rate for this capacity will be the Article 11.2 escalated base rate for the rate zone to which the capacity has primary delivery rights.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

5. Recent Interstate Resource Developments *(Continued)*

A. El Paso Rate Case – RP05-422 *(Continued)*

(i) Article 11.2 *(Continued)*

On October 6, 2008, El Paso filed a Request for Rehearing of the Commission's September 5, 2008 order dealing with Article 11.2 of the 1996 Settlement and of the resolution of the questions concerning the Block Capacity. FERC has not acted on El Paso's Request for Rehearing.

B. El Paso 2008 Rate Case – RP08-426

(i) Rates – On June 30, 2008, El Paso filed a Section 4 general rate case as a requirement of the 2006 Rate Case Settlement. The 2006 Settlement also required El Paso to request a five-month suspension period with rates and tariff changes to become effective on January 1, 2009.

(ii) Penalties – As part of a new tariff provision proposal that would allow El Paso to declare an emergency critical operating condition (COC) on lateral systems, El Paso proposed a trial period to waive non-critical MDO/MHO violation penalties from January 1, 2009 through March 31, 2010. The proposed COC tariff provision has been heavily scrutinized by shippers. Shippers have advocated that El Paso's current tariff already provides El Paso the authority to call COCs on specific shippers that are threatening system integrity. As such, El Paso has indicated in technical conference comments that it will withdraw its proposal as long as FERC affirms that El Paso is authorized under the existing tariff to declare an emergency COC on a delivery lateral to either an individual shipper, if possible, or on the lateral in total.

In the Order on Technical Conference issued on December 18, 2008, FERC affirmed that El Paso already has the authority to declare an immediate emergency COC on a delivery lateral. In addition, FERC stated that it is equally important for El Paso to minimize the impact of COC declarations of shippers by targeting the COCs to the fewest number of shippers, consistent with Order 637. As a result of

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

5. Recent Interstate Resource Developments *(Continued)*

B. El Paso 2008 Rate Case – RP08-426 *(Continued)*

(ii) Penalties *(Continued)*

FERC affirmation, El Paso has withdrawn its proposed lateral critical operating condition tariff language.

El Paso is also proposing to implement a tiered penalty structure for critical daily imbalance quantities that fall outside of safe harbor tolerances. The penalty structure will consist of three tiers, and the penalty will be assessed on the lower of the variance quantity or the variance percentage within each tier. In the Order on Technical Conference issued on December 18, 2008, FERC accepted El Paso's proposal to implement a tiered penalty structure for critical condition daily penalties. In addition, FERC accepted El Paso's proposed penalty rate modification. El Paso will reduce the critical penalty rate from ten times the monthly spot price to two times the higher of the monthly spot or daily spot price for hourly scheduling penalties. Daily penalties will be calculated as the average of two times the higher of either the monthly spot or daily spot prices. FERC has recognized that the purpose of penalty charges is to deter undesirable shipper behavior, and with that purpose in mind, has allowed El Paso to include the more volatile daily spot price in its penalty calculations.

In addition to this change, El Paso proposed to incorporate 75 percent of Hourly Entitlement Enhancement Nomination (HEEN) nominations in the daily overrun assessment in 2009, and incorporate 100 percent of HEEN nominations in the daily overrun assessment thereafter. However, in the Order on Technical Conference issued on December 18, 2008, FERC found that it is inappropriate to include any HEEN nominations in the calculation of daily overrun penalties. This is consistent with FERC's orders stating that a shipper should not be subject to a daily overrun penalty unless its flowing gas exceeds its total contract demand.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

5. Recent Interstate Resource Developments *(Continued)*

B. El Paso 2008 Rate Case – RP08-426 *(Continued)*

- (iii) **Miscellaneous** – Other items that are heavily debated in this rate case are El Paso's proposal to eliminate the "grandfathering" of monthly sculpted FT-1 contract quantities and pressure commitments when shippers convert FT-1 contract quantities to premium service quantities and El Paso's proposal, at its own discretion, to install flow control equipment at customer metering sites. FERC accepted El Paso's proposal to eliminate the "grandfathering" of monthly sculpted contract quantities (Order on Technical Conference file on December 18, 2008) with the caveat that El Paso may not reduce a shipper's level of service. That is, the shipper's MDQ for the remaining portion of the existing FT-1 contract may not be reduced below the highest monthly MDQ for that contract without mutual agreement with the shipper. In addition, FERC accepted El Paso's proposal to eliminate any "grandfathered" pressure commitments for converted contracts and El Paso's offer to withdraw its flow control proposal. FERC, however, did direct El Paso to work together with its shippers and submit a new flow control proposal within 90 days. After several filing extensions, El Paso filed its new flow control proposal on September 14, 2009. El Paso's new flow control proposal provides El Paso the right to install and/or use flow control to preserve the operational safety and reliability of its system. Flow control will be used on specific operators and/or location basis. El Paso must provide the point operator with advanced notice, depending on the circumstances responsible for the installation of the flow control. El Paso may not install flow control at locations where the point operator has chosen a pre-determined allocation methodology, or those locations that are being operated within the parameters of an executed operational balancing agreement. On October 14, 2009, FERC issued an Order accepting the El Paso's proposed flow control tariff provisions.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

5. Recent Interstate Resource Developments *(Continued)*

C. Phoenix East Valley Lateral

In a January 2006 filing with the FERC, El Paso sought approval to purchase the Santan Expansion Lateral or "East Valley Lateral" from the Salt River Project (SRP) in order to reinforce its system in the east valley. On November 15, 2007, the FERC approved El Paso's request to abandon by sale its ownership of 242,500 Dth/day of gas capacity in the East Valley Lateral to Transwestern.

El Paso's purchase from SRP was subject to two fully transferable repurchase options for undivided interests in the lateral. The first option permits SRP (or its assignee, Transwestern) to repurchase from El Paso an undivided interest in the lateral equal to 203,500 Dth/day of capacity. The second option would permit SRP (or its assignee, Transwestern) to repurchase from El Paso an additional 39,000 Dth/day of capacity. The agreement provides that SRP (or its assignee, Transwestern) can exercise these options upon 90 days written notice to El Paso. However, the options cannot be exercised earlier than April 1, 2008. If both options are exercised on or after April 30, 2010, then SRP (or its assignee Transwestern) must give El Paso twelve months written notice. In addition, if both options are exercised, El Paso retains 100,000 Dth/day (approx. 30 percent) of the lateral capacity. In addition, when Transwestern filed with the FERC that it had initiated service on the Phoenix Lateral on March 1, 2009, Transwestern also notified the FERC that it had acquired an undivided ownership interest in the East Valley Lateral from El Paso Natural Gas Company and commenced service on the East Valley Lateral on March 1, 2009.

Southwest has two interconnects located on the East Valley Lateral. Southwest and El Paso have agreed to include these interconnects into D-Code DSWG-PHX. Southwest anticipates including these two interconnects into an existing D-Code will provide Southwest with the maximum scheduling flexibility from El Paso and Transwestern to these interconnects that would otherwise be hindered if 1) Southwest were to create a new separate D-Code for each interconnect or 2) Southwest combined these interconnects into a new D-Code. After this winter, Southwest will assess whether including these two interconnects into D-Code DSWG-PHX provided the scheduling flexibility envisioned without causing significant imbalances on either El Paso or Transwestern.

SYSTEM SUPPLY GAS ACQUISITION

(Continued)

5. Recent Interstate Resource Developments *(Continued)*

D. Transwestern Phoenix Project

Transwestern received its authorization to construct and operate the Phoenix Project (CP06-459) from the FERC on November 15, 2007. Actual construction of the pipeline began in early February 2008.

Construction of the San Juan (New Mexico) Lateral Loops were completed in June 2008 and construction of the Phoenix Lateral was completed in February of 2009. On February 2, 2009, Transwestern filed with the FERC a request to begin service starting February 20, 2009. On February 20, 2009, FERC granted Transwestern its request to commence service. On March 6, 2009, Transwestern notified the FERC that it had commenced service on the lateral beginning March 1, 2009. Southwest has contracted with Transwestern for 75,000 Dth/day during November through March and 1,000 Dth/day during April through October.

Southwest will have a total of five interconnects with Transwestern and all will be operable for the 2009/2010 winter. This winter will provide Southwest its first opportunity to schedule supply into the Phoenix area from another interstate pipeline besides El Paso. As such, Southwest has undertaken an extensive planning effort to enable the operation of its system utilizing El Paso and Transwestern Pipelines to serve the Phoenix area.

E. Arizona Underground Storage

Southwest is an active member of the Arizona Storage Coalition (Coalition) that was formed in December 2007. Since the inception of the Coalition, the Coalition has held several meetings with prospective storage developers.

On October 31, 2008, El Paso announced an open season on its four cavern underground storage project near Eloy, Arizona. The proposed storage project will provide approximately 2 Bcf of working inventory, a maximum withdrawal rate of 400,000 Mcfd, and 200,000 Mcfd of injection capacity. The open season closed December 5, 2008. Southwest did not submit a response to the open season.

TAB B

HISTORICAL MONTHLY PURCHASES

Purchased Gas Cost Account Detail

This section contains the detail of gas purchased for the period of September 2008 through August 2009 and shows purchase and transportation costs by supplier and upstream pipeline. Credits for gas assigned to optional/bypass and special procurement customers are also shown.

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
SEPTEMBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
August 2008 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	BP Energy	424,980	\$ 0.72341	\$ 307,436	1
2	Cargill	99,970	0.74400	74,378	2
3	ConocoPhillips	149,690	0.66832	100,041	3
4	Constellation Energy	455,660	0.71742	326,898	4
5	Louis Dreyfus Energy Services	40,000	0.68500	27,400	5
6	Macquarie Cook Energy	197,100	0.64188	126,515	6
7	Merrill Lynch Commodities	72,910	0.83500	60,880	7
8	NGTS	100,000	0.70200	70,200	8
9	Samson Resources	200,000	0.66750	133,500	9
10	Sempra Energy Trading	177,720	0.65279	116,014	10
11	Sequent Energy Management	261,000	0.64950	169,520	11
12	Williams Gas Marketing	576,000	0.65406	376,740	12
13	Total Fixed Interruptible	<u>2,755,030</u>	\$ 0.68584	\$ <u>1,889,522</u>	13
Variable					
14	BP Energy	5,000	\$ 0.66900	\$ 3,345	14
15	ConocoPhillips	4,276,880	0.78118	3,341,034	15
16	Constellation Energy	2,137,530	0.65694	1,404,228	16
17	Louis Dreyfus Energy Services	4,235,730	0.74700	3,164,090	17
18	Optional/Bypass	(146,758)	0.80620	(118,316)	18
19	Special Procurement Purchases	<u>(3,906,432)</u>	0.81100	<u>(3,168,134)</u>	19
20	Total Variable Interruptible	<u>6,601,950</u>	\$ 0.70074	\$ <u>4,626,248</u>	20
21	Total Interruptible Purchases	<u>9,356,980</u>	\$ 0.69635	\$ <u>6,515,770</u>	21

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
SEPTEMBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
22	Chevron Natural Gas	1,512,520	\$ 0.73600	\$ 1,113,215	22
23	Sempra Energy Trading	5,388,860	0.70519	3,800,146	23
24	Shell Energy North America	3,067,930	0.69800	2,141,415	24
25	Spark Energy Gas	3,099,940	0.78300	2,427,253	25
26	Total Fixed Firm	13,069,250	\$ 0.72552	\$ 9,482,029	26
Variable					
27	Dacott Industries	13,720	\$ 0.71400	\$ 9,796	27
28	Total Variable Firm	13,720	\$ 0.71400	\$ 9,796	28
29	Total Firm Purchases	13,082,970	\$ 0.72551	\$ 9,491,825	29
30	Total Purchases	22,439,950	\$ 0.71335	\$ 16,007,595	30
<u>Transportation Charges</u>					
El Paso Firm Reservation					
31	Contract # FT28K000			\$ 592,747	31
32	Contract # FT28L000			405,297	32
33	Contract # FT28M000			1,400,074	33
34	Contract # FT28N000			507,864	34
35	Contract # H3224000			48,845	35
36	Total El Paso Reservation Charges			2,954,825	36
37	EPNG Base Usage Charges			65,693	37
38	EPNG Interruptible Hourly Swing			462	38
39	EPNG ACA Charges			5,657	39
40	EPNG Capacity Release Credits			(930,842)	40
41	EPNG PIP Charges			37,219	41
42	EPNG Penalties			664	42
43	CNG Charges			151,378	43
44	Transwestern Daily Charges			323	44
45	Transwestern ACA			3	45
46	Demand Charges (Reservation) Credit			(518)	46
47	Total Transportation Charges			\$ 2,284,863	47
48	Total Purchased Gas Cost	22,439,950	\$ 0.81517	\$ 18,292,458	48

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
OCTOBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
September 2008 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	Astra Power	25,000	\$ 0.45000	\$ 11,250	1
2	BP Energy	24,920	0.41200	10,267	2
3	Chevron Natural Gas	100,000	0.35000	35,000	3
4	Constellation Energy	95,520	0.53500	51,103	4
5	Iberdrola Renewables	19,320	0.62000	11,978	5
6	Louis Dreyfus Energy Services	1,040,500	0.67800	705,459	6
7	Macquarie Cook Energy	100,000	0.50000	50,000	7
8	NGTS	1,498,450	0.68650	1,028,686	8
9	Samson Resources	639,590	0.27541	176,152	9
10	Sempra Energy Trading	196,740	0.47629	93,706	10
11	Tenaska Marketing Ventures	149,650	0.37000	55,371	11
12	Total Gas & Power North America	49,780	0.39000	19,414	12
13	Total Fixed Interruptible	<u>3,939,470</u>	<u>\$ 0.57073</u>	<u>\$ 2,248,386</u>	13
Variable					
14	Constellation Energy	8,836,100	\$ 0.46511	\$ 4,109,772	14
15	NGTS	1,499,300	0.66600	998,534	15
16	Shell Energy North America	4,469,720	0.62600	2,798,045	16
17	Optional/Bypass	(147,060)	0.60254	(88,610)	17
18	Special Procurement Purchases	(3,994,682)	0.70345	(2,810,049)	18
19	Total Variable Interruptible	<u>10,663,378</u>	<u>\$ 0.46962</u>	<u>\$ 5,007,692</u>	19
20	Total Interruptible Purchases	<u>14,602,848</u>	<u>\$ 0.49689</u>	<u>\$ 7,256,079</u>	20

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
OCTOBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
21	Chevron Natural Gas	1,479,680	\$ 0.73600	\$ 1,089,044	21
22	Sempra Energy Trading	5,151,700	0.70517	3,632,817	22
23	Shell Energy North America	2,971,740	0.69800	2,074,275	23
24	Spark Energy Gas	2,974,700	0.78300	2,329,190	24
25	Total Fixed Firm	<u>12,577,820</u>	<u>\$ 0.72551</u>	<u>\$ 9,125,327</u>	25
Variable					
26	Dacott Industries	13,390	\$ 0.52300	\$ 7,003	26
27	Total Variable Firm	<u>13,390</u>	<u>\$ 0.52300</u>	<u>\$ 7,003</u>	27
28	Total Firm Purchases	<u>12,591,210</u>	<u>\$ 0.72529</u>	<u>\$ 9,132,330</u>	28
29	Total Purchases	<u>27,194,058</u>	<u>\$ 0.60265</u>	<u>\$ 16,388,408</u>	29
<u>Transportation Charges</u>					
El Paso Firm Reservation					
30	Contract # FT28K000			\$ 583,020	30
31	Contract # FT28L000			417,581	31
32	Contract # FT28M000			1,395,925	32
33	Contract # FT28N000			643,797	33
34	Contract # H3224000			48,845	34
35	Total El Paso Reservation Charges			<u>3,089,167</u>	35
36	EPNG Base Usage Charges			67,596	36
37	EPNG Interruptible Hourly Swing			446	37
38	EPNG ACA Charges			5,820	38
39	EPNG Capacity Release Credits			(930,210)	39
40	EPNG PIP Charges			38,290	40
41	EPNG Penalties			754	41
42	CNG Charges			142,725	42
43	Transwestern Daily Charges			315	43
44	Transwestern ACA			3	44
45	Demand Charges (Reservation) Credit			(2,113)	45
46	Total Transportation Charges			<u>\$ 2,412,792</u>	46
47	Total Purchased Gas Cost	<u>27,194,058</u>	<u>\$ 0.69137</u>	<u>\$ 18,801,200</u>	47

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
NOVEMBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
October 2008 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	BP Energy	3,932,230	\$ 0.34203	\$ 1,344,936	1
2	Chevron Natural Gas	318,100	0.29492	93,813	2
3	ConocoPhillips	422,800	0.32524	137,513	3
4	Constellation Energy	140,740	0.33339	46,921	4
5	Enserco Energy	192,090	0.27083	52,023	5
6	Macquarie Cook Energy	150,000	0.28133	42,200	6
7	Occidental Energy Marketing	409,250	0.28652	117,257	7
8	Sempra Energy Trading	103,580	0.27531	28,517	8
9	Shell Energy North America	13,990	0.36000	5,036	9
10	Southern Union Gas Energy	247,710	0.33314	82,522	10
11	Tenaska Marketing Ventures	225,000	0.30500	68,625	11
12	Williams Gas Marketing	204,260	0.28308	57,821	12
13	Total Fixed Interruptible	<u>6,359,750</u>	<u>\$ 0.32661</u>	<u>\$ 2,077,184</u>	13
Variable					
14	ABQ Energy Group	391,940	\$ 0.32575	\$ 127,673	14
15	BP Energy	444,450	0.17583	78,149	15
16	Cargill	100,000	0.27400	27,400	16
17	Chevron Natural Gas	484,630	0.32470	157,361	17
18	ConocoPhillips	4,428,100	0.40800	1,806,665	18
19	Constellation Energy	7,176,220	0.32689	2,345,866	19
20	EPNG Balancing Cashout T1	700	0.49286	345	20
21	EPNG Balancing Cashout T2	1,050	0.49285	517	21
22	EPNG Balancing Cashout T3	1,750	0.54214	949	22
23	EPNG Balancing Cashout T4	1,750	0.59142	1,035	23
24	EPNG Balancing Cashout T5	1,750	0.64070	1,121	24
25	EPNG Balancing Cashout T6	27,850	0.68999	19,216	25
26	Iberdrola Renewables	1,360,350	0.45700	621,680	26
27	Louis Dreyfus Energy Services	44,670	0.36550	16,327	27
28	National Fuel Marketing	211,730	0.35050	74,211	28
29	Samson Resources	1,922,620	0.23702	455,691	29
30	Sempra Energy Trading	4,720	0.41050	1,938	30
31	Shell Energy North America	213,810	0.27630	59,075	31
32	Total Gas & Power North America	3,140,890	0.45638	1,433,438	32
33	Optional/Bypass	(162,057)	0.42973	(69,641)	33
34	Special Procurement Purchases	<u>(3,323,511)</u>	0.55830	<u>(1,855,513)</u>	34
35	Total Variable Interruptible	<u>16,473,412</u>	<u>\$ 0.32194</u>	<u>\$ 5,303,504</u>	35
36	Total Interruptible Purchases	<u>22,833,162</u>	<u>\$ 0.32324</u>	<u>\$ 7,380,688</u>	36

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
NOVEMBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
37	Chevron Natural Gas	1,546,920	\$ 0.73600	\$ 1,138,533	37
38	Sempra Energy Trading	5,423,170	0.70521	3,824,489	38
39	Shell Energy North America	3,100,000	0.69800	2,163,800	39
40	Spark Energy Gas	3,100,000	0.78300	2,427,300	40
41	Total Fixed Firm	<u>13,170,090</u>	<u>\$ 0.72544</u>	<u>\$ 9,554,122</u>	41
Variable					
42	Dacott Industries	21,570	\$ 0.31700	\$ 6,838	42
43	Total Variable Firm	<u>21,570</u>	<u>\$ 0.31700</u>	<u>\$ 6,838</u>	43
44	Total Firm Purchases	<u>13,191,660</u>	<u>\$ 0.72477</u>	<u>\$ 9,560,960</u>	44
45	Total Purchases	<u>36,024,822</u>	<u>\$ 0.47028</u>	<u>\$ 16,941,648</u>	45
<u>Transportation Charges</u>					
El Paso Firm Reservation					
46	Contract # FT28K000			\$ 571,734	46
47	Contract # FT28L000			433,522	47
48	Contract # FT28M000			1,389,407	48
49	Contract # FT28N000			815,841	49
50	Contract # H3224000			48,845	50
51	Total El Paso Reservation Charges			<u>3,259,349</u>	51
52	EPNG Base Usage Charges			82,698.7	52
53	EPNG Interruptible Hourly Swing			71.9	53
54	EPNG ACA Charges			6,367.3	54
55	EPNG Capacity Release Credits			(815,560.5)	55
56	EPNG PIP Charges			46,823.4	56
57	EPNG Penalties			19.5	57
58	CNG Charges			145,053.0	58
59	Transwestern Daily Charges			506.9	59
60	Transwestern ACA			3.6	60
61	Demand Charge (Reservation) Credit			<u>(2,193.5)</u>	61
62	Total Transportation Charges			<u>\$ 2,723,139</u>	62
63	Total Purchased Gas Cost	<u>36,024,822</u>	<u>\$ 0.54587</u>	<u>\$ 19,664,787</u>	63

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
DECEMBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
November 2008 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	39,980	\$ 0.45700	\$ 18,271	1
2	BP Energy	639,910	0.36072	230,827	2
3	ConocoPhillips	50,000	0.23900	11,950	3
4	Louis Dreyfus Energy Services	283,000	0.17500	49,525	4
5	Occidental Energy Marketing	999,160	0.46500	464,609	5
6	Sempra Energy Trading	486,970	0.26734	130,184	6
7	Sequent Energy Management	95,230	0.49613	47,246	7
8	Tristar Producer Services Of Texas	9,970	0.45000	4,487	8
9	Total Fixed Interruptible	<u>2,604,220</u>	<u>\$ 0.36752</u>	<u>\$ 957,100</u>	9
Variable					
10	ABQ Energy Group	35,000	\$ 0.25550	\$ 8,943	10
11	NGTS	1,859,950	0.32400	602,624	11
12	Total Gas & Power North America	3,600,000	0.32300	1,162,800	12
13	Optional/Bypass	(179,026)	0.51962	(93,025)	13
14	Special Procurement Purchases	<u>(4,856,838)</u>	0.34513	<u>(1,676,252)</u>	14
15	Total Variable Interruptible	<u>459,086</u>	<u>\$ 0.01108</u>	<u>\$ 5,088</u>	15
16	Total Interruptible Purchases	<u>3,063,306</u>	<u>\$ 0.31410</u>	<u>\$ 962,188</u>	16
<u>Firm Purchases</u>					
Fixed					
17	Chevron Natural Gas	8,848,280	\$ 0.80300	\$ 7,105,156	17
18	ConocoPhillips	6,000,000	0.87090	5,225,400	18
19	Iberdrola Renewables	2,944,670	0.76900	2,264,451	19
20	Macquarie Cook Energy	3,000,000	0.76700	2,301,000	20
21	National Fuel Marketing	1,500,000	0.98600	1,479,000	21
22	Occidental Energy Marketing	5,993,200	0.79600	4,770,587	22
23	Shell Energy North America	8,100,000	0.80783	6,543,450	23
24	Total Fixed Firm	<u>36,386,150</u>	<u>\$ 0.81594</u>	<u>\$ 29,689,045</u>	24

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
DECEMBER 2008**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
Variable					
25	ConocoPhillips			\$ 7,587	25
26	Constellation Energy	9,466,620	\$ 0.43779	4,144,404	26
27	Dacott Industries	35,110	0.41500	14,571	27
28	Iberdrola Renewables			46,500	28
29	Total Variable Firm	<u>9,501,730</u>	<u>\$ 0.44340</u>	<u>\$ 4,213,061</u>	29
30	Total Firm Purchases	<u>45,887,880</u>	<u>\$ 0.73880</u>	<u>\$ 33,902,106</u>	30
31	Total Purchases	<u>48,951,186</u>	<u>\$ 0.71223</u>	<u>\$ 34,864,294</u>	31
Transportation Charges					
El Paso Firm Reservation					
32	Contract # FT28M000			\$ 548,167	32
33	Contract # H3224000			1,058,438	33
34	Contract # H3227000			891,919	34
35	Contract # H822C000			147,837	35
36	Contract # N3222000			<u>2,729,900</u>	36
37	Total El Paso Reservation Charges			<u>5,376,260</u>	37
38	EPNG Base Usage Charges			113,088	38
39	EPNG ACA Charges			8,366	39
40	EPNG PIP Charges			61,532	40
41	CNG Charges			144,258	41
42	Transwestern Daily Charges			825	42
43	Transwestern ACA			6	43
44	Total Transportation Charges			<u>\$ 5,704,335</u>	44
45	Total Purchased Gas Cost	<u>48,951,186</u>	<u>\$ 0.82876</u>	<u>\$ 40,568,629</u>	45

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
JANUARY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
December 2008 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	12,860	\$ 0.48654	\$ 6,257	1
2	Anadarko Energy Services	76,000	0.56400	42,864	2
3	BP Energy	7,020,050	0.51806	3,636,821	3
4	Cargill	59,980	0.48000	28,790	4
5	Fortis Energy Marketing & Trading	2,000	0.55500	1,110	5
6	Magnus Energy Marketing	449,440	0.50781	228,229	6
7	Merrill Lynch Commodities	400,540	0.45988	184,199	7
8	NGTS	5,000	0.56400	2,820	8
9	Occidental Energy Marketing	16,000	0.46700	7,472	9
10	Samson Resources	150,000	0.48000	72,000	10
11	Sempra Energy Trading	53,000	0.48500	25,705	11
12	Sequent Energy Management	499,210	0.47200	235,627	12
13	Southern Union Gas Energy	300,000	0.47150	141,450	13
14	Tenaska Marketing Ventures	100,000	0.55000	55,000	14
15	Tristar Producer Services Of Texas	18,750	0.46000	8,625	15
16	Williams Gas Marketing	412,940	0.46500	192,017	16
17	Total Fixed Interruptible	9,575,770	\$ 0.50847	\$ 4,868,987	17
Variable					
18	Macquarie Cook Energy	200,000	\$ 0.46400	\$ 92,800	18
19	Occidental Energy Marketing	329,190	0.48200	158,670	19
20	Samson Resources	981,160	0.49304	483,753	20
21	Southern Union Gas Energy	499,090	0.47450	236,818	21
22	Tenaska Marketing Ventures	50,000	0.49150	24,575	22
23	Tristar Producer Services Of Texas	13,520	0.46100	6,233	23
24	Williams Gas Marketing	17,320	0.49750	8,617	24
25	Optional/Bypass	(176,249)	0.54373	(95,832)	25
26	Special Procurement Purchases	(5,373,359)	0.54739	(2,941,319)	26
27	Total Variable Interruptible	(3,459,328)	\$ 0.58557	\$ (2,025,686)	27
28	Total Interruptible Purchases	6,116,442	\$ 0.46486	\$ 2,843,301	28
<u>Firm Purchases</u>					
Fixed					
29	Chevron Natural Gas	9,218,380	\$ 0.80300	\$ 7,402,354	29
30	ConocoPhillips	5,949,740	0.87060	5,179,836	30
31	Eagle Energy Partners	5,798,770	1.09650	6,358,351	31
32	Iberdrola Renewables	3,077,410	0.76900	2,366,528	32
33	Macquarie Cook Energy	3,100,000	0.76700	2,377,700	33
34	National Fuel Marketing	1,549,900	0.98600	1,528,201	34
35	Occidental Energy Marketing	6,194,040	0.79595	4,930,159	35
36	Sempra Energy Trading	5,580,000	1.00700	5,619,060	36
37	Shell Energy North America	14,705,800	0.93135	13,696,285	37
38	Total Fixed Firm	55,174,040	\$ 0.89641	\$ 49,458,475	38

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
JANUARY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
	Variable				
39	Chevron Natural Gas	5,860,030	\$ 0.46345	\$ 2,715,808	39
40	ConocoPhillips			9,300	40
41	Constellation Energy	2,845,540	0.53942	1,534,938	41
42	Dacott Industries	68,410	0.50300	34,410	42
43	Iberdrola Renewables	6,955,450	0.50669	3,524,286	43
44	Occidental Energy Marketing	2,341,770	0.53268	1,247,403	44
45	Oneok Energy Services	250,000	0.59108	147,770	45
46	Tenaska Marketing Ventures	5,156,840	0.50088	2,582,960	46
47	Total Variable Firm	<u>23,478,040</u>	<u>\$ 0.50246</u>	<u>\$ 11,796,875</u>	47
48	Total Firm Purchases	<u>78,652,080</u>	<u>\$ 0.77881</u>	<u>\$ 61,255,350</u>	48
	Fixed for Float Swap				
49	JP Morgan Ventures Energy [1]			\$ 3,310,800	49
50	Total Fixed for Float Swap			<u>\$ 3,310,800</u>	50
51	Total Purchases	<u>84,768,522</u>	<u>\$ 0.79522</u>	<u>\$ 67,409,451</u>	51
	Transportation Charges				
	El Paso Firm Reservation				
52	Contract # FT28M000			\$ 1,959,399	52
53	Contract # H3224000			1,058,438	53
54	Contract # H3227000			891,919	54
55	Contract # H822C000			147,837	55
56	Contract # N3222000			2,729,900	56
57	Total El Paso Reservation Charges			<u>6,787,492</u>	57
58	EPNG Base Usage Charges			206,828	58
59	EPNG Interruptible Hourly Swing			163	59
60	EPNG ACA Charges			15,255	60
61	EPNG Capacity Release Credits			(135,900)	61
62	EPNG PIP Charges			112,172	62
63	EPNG MHO Violation CRT			310	63
64	EPNG MHO Violation NC			25	64
65	CNG Charges			144,258	65
66	Transwestern Daily Charges			1,608	66
67	Transwestern ACA			11	67
68	Total Transportation Charges			<u>\$ 7,132,221</u>	68
69	Total Purchased Gas Cost	<u>84,768,522</u>	<u>\$ 0.87936</u>	<u>\$ 74,541,672</u>	69

[1] Contracted for total volume of 620,000 mmBtu @ \$9.97, less index price of \$4.63 for settlement price of \$5.34. (620,000 x \$5.34 = \$3,310,800)

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
FEBRUARY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
January 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	BP Energy	888,280	\$ 0.45475	\$ 403,944	1
2	Cargill	170,960	0.46790	79,991	2
3	Chevron Natural Gas	285,880	0.44824	128,143	3
4	ConocoPhillips	285,640	0.44200	126,253	4
5	Constellation Energy	500,000	0.44100	220,500	5
6	Louis Dreyfus Energy Services	498,320	0.45002	224,253	6
7	Macquarie Cook Energy	296,970	0.33704	100,091	7
8	Magnus Energy Marketing	300,000	0.46500	139,500	8
9	Merrill Lynch Commodities	67,000	0.46543	31,184	9
10	Occidental Energy Marketing	160,000	0.43500	69,600	10
11	Oneok Energy Services	50,000	0.46700	23,350	11
12	Samson Resources	30,000	0.33000	9,900	12
13	Sempra Energy Trading	613,260	0.41858	256,701	13
14	Southern Union Gas Energy	279,940	0.43536	121,875	14
15	Tenaska Marketing Ventures	400,000	0.39500	158,000	15
16	Total Gas & Power North America	99,890	0.47000	46,948	16
17	Total Fixed Interruptible	4,926,140	\$ 0.43446	\$ 2,140,233	17
Variable					
18	Anadarko Energy Services	99,990	\$ 0.36150	\$ 36,146	18
19	BP Energy	6,422,720	0.47532	3,052,821	19
20	Cargill	309,950	0.48100	149,086	20
21	ConocoPhillips	899,730	0.35844	322,501	21
22	Fortis Energy Marketing & Trading	101,970	0.46384	47,297	22
23	Macquarie Cook Energy	300,000	0.46567	139,700	23
24	Occidental Energy Marketing	344,630	0.41506	143,042	24
25	Samson Resources	719,980	0.44228	318,434	25
26	Sempra Energy Trading	114,610	0.48200	55,242	26
27	Southern Union Gas Energy	899,940	0.44589	401,272	27
28	Tenaska Marketing Ventures	175,000	0.48907	85,588	28
29	Optional/Bypass	(179,468)	0.53383	(95,805)	29
30	Special Procurement Purchases	(3,803,000)	0.58533	(2,225,999)	30
31	Total Variable Interruptible	6,406,052	\$ 0.37922	\$ 2,429,323	31
32	Total Interruptible Purchases	11,332,192	\$ 0.40324	\$ 4,569,556	32

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
FEBRUARY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
33	Chevron Natural Gas	9,205,930	\$ 0.80300	\$ 7,392,350	33
34	ConocoPhillips	6,197,230	0.87090	5,397,172	34
35	Eagle Energy Partners	5,890,000	1.09650	6,458,385	35
36	Iberdrola Renewables	3,100,000	0.76900	2,383,900	36
37	Macquarie Cook Energy	3,100,000	0.76700	2,377,700	37
38	National Fuel Marketing	1,549,370	0.98600	1,527,679	38
39	Occidental Energy Marketing	6,200,000	0.79600	4,935,200	39
40	Sempra Energy Trading	5,580,000	1.00700	5,619,060	40
41	Shell Energy North America	14,874,460	0.93240	13,868,946	41
42	Total Fixed Firm	<u>55,696,990</u>	\$ 0.89700	\$ <u>49,960,391</u>	42
Variable					
43	Chevron Natural Gas	6,098,510	\$ 0.48709	\$ 2,970,531	43
44	ConocoPhillips			9,300	44
45	Constellation Energy	1,126,390	0.37092	417,801	45
46	Dacott Industries	44,610	0.39700	17,710	46
47	Iberdrola Renewables	7,285,880	0.43060	3,137,305	47
48	Occidental Energy Marketing	250,000	0.42723	106,808	48
49	Oneok Energy Services	750,000	0.42264	316,978	49
50	Tenaska Marketing Ventures	3,199,990	0.45178	1,445,695	50
51	Total Variable Firm	<u>18,755,380</u>	\$ 0.44905	\$ <u>8,422,128</u>	51
52	Total Firm Purchases	<u>74,452,370</u>	\$ 0.78416	\$ <u>58,382,519</u>	52
Fixed for Float Swap					
53	JP Morgan Ventures Energy [1]			\$ 3,186,800	53
54	Total Fixed for Float Swap			\$ <u>3,186,800</u>	54
55	Total Purchases	<u>85,784,562</u>	\$ 0.77099	\$ <u>66,138,875</u>	55
<u>Transportation Charges</u>					
El Paso Firm Reservation					
56	Contract # FT28M000			\$ 2,264,310	56
57	Contract # H3224000			4,567,561	57
58	Contract # H3227000			1,157,886	58
59	Contract # H822C000			203,232	59
60	Total El Paso Reservation Charges			<u>8,192,989</u>	60
61	EPNG ACA Charges			14,340	61
62	EPNG Transportation Base Usage			238,053	62
63	EPNG Transportation PIP Charge			15	63
64	CNG Charges			144,258	64
65	Transwestern Transportation Base Usage			1,049	65
66	Transwestern ACA			7	66
67	Total Transportation Charges			\$ <u>8,590,712</u>	67
68	Total Purchased Gas Cost	<u>85,784,562</u>	\$ 0.87113	\$ <u>74,729,587</u>	68

[1] Contracted for total volume of 620,000 mmBtu @ \$9.97, less index price of \$4.83 for settlement price of \$5.14. (620,000 x \$5.14 = \$3,186,800)

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
MARCH 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
February 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	3,000	\$ 0.34000	\$ 1,020	1
2	Cargill	45,000	0.34800	15,660	2
3	Chevron Natural Gas	2,370	0.34000	806	3
4	Concord Energy	100,000	0.35500	35,500	4
5	Encana Marketing USA	32,000	0.34600	11,072	5
6	Iberdrola Renewables	24,730	0.33840	8,369	6
7	Louis Dreyfus Energy Services	3,298,590	0.31900	1,052,250	7
8	National Fuel Marketing	55,000	0.34800	19,140	8
9	NGTS	61,990	0.34800	21,573	9
10	Samson Resources	56,000	0.33968	19,022	10
11	Sempra Energy Trading	31,000	0.33700	10,447	11
12	Southern Union Gas Energy	274,980	0.34609	95,168	12
13	Tenaska Marketing Ventures	450,000	0.36333	163,500	13
14	Total Fixed Interruptible	<u>4,434,660</u>	<u>\$ 0.32776</u>	<u>\$ 1,453,526</u>	14
Variable					
15	Iberdrola Renewables	149,940	\$ 0.32700	\$ 49,030	15
16	Macquarie Cook Energy	399,720	0.32950	131,708	16
17	Samson Resources	25,060	0.31992	8,017	17
18	Southern Union Gas Energy	49,990	0.34925	17,459	18
19	Tenaska Marketing Ventures	50,000	0.34925	17,463	19
20	Total Gas & Power North America	2,239,980	0.31700	710,074	20
21	Optional/Bypass	(301,988)	0.42036	(126,944)	21
22	Special Procurement Purchases	(4,261,743)	0.34059	(1,451,513)	22
23	Total Variable Interruptible	<u>(1,649,041)</u>	<u>\$ 0.39096</u>	<u>\$ (644,706)</u>	23
24	Total Interruptible Purchases	<u>2,785,619</u>	<u>\$ 0.29036</u>	<u>\$ 808,820</u>	24
<u>Firm Purchases</u>					
Fixed					
25	Chevron Natural Gas	8,356,610	\$ 0.80300	\$ 6,710,352	25
26	ConocoPhillips	5,591,510	0.87081	4,869,153	26
27	Eagle Energy Partners	5,318,910	1.09650	5,832,185	27
28	Iberdrola Renewables	2,800,000	0.76900	2,153,200	28
29	Macquarie Cook Energy	2,800,000	0.76700	2,147,600	29
30	National Fuel Marketing	1,400,000	0.98600	1,380,400	30
31	Occidental Energy Marketing	5,589,880	0.79600	4,449,544	31
32	Sempra Energy Trading	5,040,000	1.00700	5,075,280	32
33	Shell Energy North America	7,557,540	0.80783	6,105,233	33
34	Total Fixed Firm	<u>44,454,450</u>	<u>\$ 0.87107</u>	<u>\$ 38,722,947</u>	34

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
MARCH 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
Variable					
35	Chevron Natural Gas	5,590,140	\$ 0.31207	\$ 1,744,541	35
36	ConocoPhillips			8,400	36
37	Constellation Energy	9,212,380	0.32686	3,011,157	37
38	Dacott Industries	43,950	0.32200	14,152	38
39	Iberdrola Renewables	1,399,780	0.36915	516,726	39
40	Occidental Energy Marketing	1,999,990	0.34231	684,622	40
41	Oneok Energy Services	750,000	0.29252	219,390	41
42	Tenaska Marketing Ventures	2,202,600	0.33282	733,073	42
43	Total Variable Firm	21,198,840	\$ 0.32700	\$ 6,932,060	43
44	Total Firm Purchases	65,653,290	\$ 0.69540	\$ 45,655,007	44
Fixed for Float Swap					
45	JP Morgan Ventures Energy [1]			\$ 3,841,600	45
46	Total Fixed for Float Swap			\$ 3,841,600	46
47	Total Purchases	68,438,909	\$ 0.73504	\$ 50,305,427	47
Transportation Charges					
El Paso Firm Reservation					
48	Contract # FT28M000			\$ 1,525,774	48
49	Contract # H3224000			4,567,561	49
50	Contract # H3227000			1,157,886	50
51	Contract # H822C000			203,232	51
52	Total El Paso Reservation Charges			7,454,453	52
53	EPNG ACA Charges			11,557	53
54	EPNG Transportation Base Usage			192,811	54
55	CNG Charges			145,118	55
56	Transwestern Transportation Base Usage			1,033	56
57	Transwestern ACA			7	57
58	EPNG Capacity Release Credit			(549,356)	58
59	Total Transportation Charges			\$ 7,255,623	59
60	Total Purchased Gas Cost	68,438,909	\$ 0.84106	\$ 57,561,051	60

[1] Contract for 20,000/dth x 28 days, contract volume 560,000 at \$9.97/dth less index price of \$3.11, settlement price of \$6.86. 560,000 x \$6.86 = \$3,841,600

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
APRIL 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
March 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Variable					
1	BP Energy	4,525,910	\$ 0.27360	\$ 1,238,271	1
2	Macquarie Cook Energy	774,990	0.27400	212,347	2
3	National Fuel Marketing	123,700	0.27400	33,894	3
4	Optional/Bypass	(344,133)	0.37518	(129,112)	4
5	Special Procurement Purchases	(4,715,012)	0.28719	(1,354,097)	5
6	Total Variable Interruptible	365,455	\$ 0.00357	\$ 1,303	6
7	Total Interruptible Purchases	365,455	\$ 0.00357	\$ 1,303	7
<u>Firm Purchases</u>					
Fixed					
8	Fixed				
9	Chevron Natural Gas	9,285,320	\$ 0.80300	\$ 7,456,105	9
10	ConocoPhillips	6,197,230	0.87090	5,397,195	10
11	Iberdrola Renewables	3,100,000	0.76900	2,383,900	11
12	Macquarie Cook Energy	3,099,920	0.76700	2,377,639	12
13	National Fuel Marketing	1,549,910	0.98600	1,528,211	13
14	Occidental Energy Marketing	6,169,320	0.79596	4,910,544	14
15	Sempra Energy Trading	5,548,080	1.00700	5,586,917	15
16	Shell Energy North America	8,370,000	0.80783	6,761,565	16
17	Total Fixed Firm	43,319,780	\$ 0.84031	\$ 36,402,076	
Variable					
18	ConocoPhillips			\$ 5,546	18
19	Constellation Energy Commodities Group			4,222	19
20	Dacott Industries	30,130	\$ 0.27100	8,165	20
21	Iberdrola Renewables			48,050	21
22	Occidental Energy Marketing	1,250,000	0.28670	358,375	22
23	Total Variable Firm	1,280,130	\$ 0.33150	\$ 424,358	23
24	Total Firm Purchases	44,599,910	\$ 0.82571	\$ 36,826,434	24
25	Total Gas Purchases	44,965,365	\$ 0.81902	\$ 36,827,737	25

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
APRIL 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Transportation Charges</u>					
	El Paso Firm Reservation				
26	Contract # FT28M000			\$ 1,031,202	26
27	Contract # H3224000			4,567,561	27
28	Contract # H3227000			1,157,886	28
29	Contract # H822C000			<u>203,232</u>	29
30	Total El Paso Reservation Charges			6,959,881	30
31	EPNG ACA Charges			8,718	31
32	EPNG Transportation Base Usage			144,597	32
33	EPNG PIP Adjustments 01/08 and 12/08			(127,156)	33
34	EPNG Penalty Revenue Credit			(291,568)	34
35	EPNG Revenue Sharing Credit			(1,023,053)	35
36	CNG Charges			91,579	36
37	Transwestern Firm Reservation Charge			1,278,750	37
38	Transwestern Transportation Base Usage			708	38
39	Transwestern ACA			5	39
40	EPNG Capacity Release Credit			<u>(690,998)</u>	40
41	Total Transportation Charges			\$ <u>6,351,463</u>	41
42	Total Purchased Gas Cost	<u>44,965,365</u>	\$ 0.96028	\$ <u>43,179,200</u>	42

SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
MAY 2009

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
April 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	27,430	\$ 0.26000	\$ 7,132	1
2	Anadarko Energy Services	209,970	0.25200	52,912	2
3	BP Energy	2,353,870	0.25857	608,637	3
4	Cargill	97,250	0.30900	30,050	4
5	Chevron Natural Gas	140,500	0.27650	38,848	5
6	ConocoPhillips	3,946,280	0.25390	1,001,942	6
7	Encana Marketing USA	300,040	0.26800	80,411	7
8	Enserco Energy	15,000	0.28100	4,215	8
9	Fortis Energy Marketing & Trading Group	159,980	0.27800	44,474	9
10	Iberdrola Renewables	24,000	0.28900	6,936	10
11	Macquarie Cook Energy	10,990	0.28600	3,143	11
12	National Fuel Marketing	50,000	0.29650	14,825	12
13	Occidental Energy Marketing	67,000	0.29000	19,430	13
14	Samson Resources	10,000	0.26500	2,650	14
15	Sempra Energy Trading	30,000	0.28900	8,670	15
16	Sequent Energy Management	174,200	0.26765	46,624	16
17	Tenaska Marketing Ventures	49,350	0.28150	13,892	17
18	Total Gas & Power North America	109,860	0.29455	32,359	18
19	Tristar Producer Services Of Texas	49,990	0.26960	13,477	19
20	United Energy Trading	11,280	0.28100	3,170	20
21	Williams Gas Marketing	1,114,000	0.25716	286,473	21
22	Total Fixed Interruptible	8,950,990	\$ 0.25922	\$ 2,320,272	22
Variable					
23	ABQ Energy Group	42,850	\$ 0.28225	\$ 12,094	23
24	BP Energy	200,000	0.28500	57,000	24
25	Chevron Natural Gas	29,000	0.29625	8,591	25
26	ConocoPhillips	1,504,590	0.27524	414,118	26
27	Enserco Energy	222,000	0.29155	64,725	27
28	Iberdrola Renewables	4,000	0.28600	1,144	28
29	Macquarie Cook Energy	4,355,930	0.26957	1,174,235	29
30	Merrill Lynch Commodities	49,970	0.29350	14,666	30
31	National Fuel Marketing	300,000	0.27008	81,025	31
32	NGTS	1,294,780	0.27350	354,122	32
33	Occidental Energy Marketing	199,550	0.25700	51,284	33
34	Pacific Summit Energy	2,979,330	0.26400	786,543	34
35	Samson Resources	3,669,290	0.27535	1,010,350	35
36	Tristar Producer Services Of Texas	20,000	0.28550	5,710	36
37	Optional/Bypass	(362,743)	0.36093	(130,927)	37
38	Special Procurement Purchases	(1,842,260)	0.30429	(560,589)	38
39	Total Variable Interruptible	12,666,287	\$ 0.26402	\$ 3,344,093	39
40	Total Interruptible Purchases	21,617,277	\$ 0.26203	\$ 5,664,365	40

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
MAY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
41	Macquarie Cook Energy	1,440,520	\$ 0.75800	\$ 1,091,914	41
42	National Fuel Marketing	2,999,490	0.80500	2,414,589	42
43	Occidental Energy Marketing	7,462,390	0.91201	6,805,782	43
44	Total Fixed Firm	<u>11,902,400</u>	\$ 0.86640	\$ <u>10,312,286</u>	
Variable					
45	Dacott Industries	<u>22,570</u>	\$ 0.28100	\$ <u>6,342</u>	45
46	Total Variable Firm	<u>22,570</u>	\$ 0.28100	\$ <u>6,342</u>	
47	Total Firm Purchases	<u>11,924,970</u>	\$ 0.86530	\$ <u>10,318,628</u>	47
48	Total Gas Purchases	<u>33,542,247</u>	\$ 0.47650	\$ <u>15,982,993</u>	48
<u>Transportation Charges</u>					
El Paso Firm Reservation					
49	Contract # FT28K000			\$ 695,881	49
50	Contract # FT28L000			500,547	50
51	Contract # FT28M000			1,249,552	51
52	Contract # FT28N000			1,742,290	52
53	Contract # H3224000			<u>63,410</u>	53
54	Total El Paso Reservation Charges			4,251,680	54
55	EPNG ACA Charges			6,875	55
56	EPNG Transportation Base Usage			92,089	56
57	EPNG Penalties			7,277	57
58	EPNG Revenue Sharing			217,849	58
59	EPNG Demand Charge Credit			(1,460)	59
60	EPNG Reservation at Alternative			132,578	60
61	Transwestern Firm Reservation Charge			16,500	61
62	Transwestern Transportation Base Usage			530	62
63	Transwestern ACA			4	63
64	EPNG Capacity Release Credit			(1,216,595)	64
65	EPNG Reservation at Alternative Capacity Release			<u>(107,544)</u>	65
66	Total Transportation Charges			\$ <u>3,399,782</u>	66
67	Total Purchased Gas Cost	<u>33,542,247</u>	\$ 0.57786	\$ <u>19,382,775</u>	67

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
JUNE 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
May 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	52,520	\$ 0.30627	\$ 16,085	1
2	Anadarko Energy Services	68,000	0.33800	22,984	2
3	BP Energy	326,910	0.30466	99,596	3
4	Chevron Natural Gas	98,370	0.33000	32,462	4
5	ConocoPhillips	1,416,020	0.30110	426,361	5
6	Encana Marketing USA	193,000	0.31824	61,420	6
7	JP Morgan Ventures Energy	599,990	0.25700	154,197	7
8	Macquarie Cook Energy	364,060	0.28853	105,041	8
9	National Fuel Marketing	26,350	0.25700	6,772	9
10	Occidental Energy Marketing	147,820	0.29637	43,809	10
11	Samson Resources	270,000	0.31767	85,770	11
12	Sempra Energy Trading	147,090	0.33900	49,864	12
13	Southern Union Gas Energy	149,990	0.33500	50,247	13
14	Tenaska Marketing Ventures	920,520	0.30379	279,641	14
15	Tristar Producer Services Of Texas	189,420	0.27106	51,344	15
16	Williams Gas Marketing	541,260	0.25860	139,969	16
17	Total Fixed Interruptible	<u>5,511,320</u>	<u>\$ 0.29495</u>	<u>\$ 1,625,562</u>	17
Variable					
18	ABQ Energy Group	40,860	\$ 0.32291	\$ 13,194	18
19	Chevron Natural Gas	46,980	0.26903	12,639	19
20	ConocoPhillips	6,066,970	0.29967	1,818,061	20
21	Encana Marketing USA	500,000	0.26620	133,100	21
22	Macquarie Cook Energy	3,685,300	0.26045	959,833	22
23	National Fuel Marketing	3,320	0.26700	886	23
24	NGTS	2,930,690	0.26800	785,425	24
25	Occidental Energy Marketing	49,030	0.26700	13,091	25
26	Samson Resources	1,679,130	0.29254	491,220	26
27	Sequent Energy Management	218,540	0.29464	64,390	27
28	Total Gas & Power North America	3,990	0.26950	1,075	28
29	Tristar Producer Services Of Texas	210,130	0.31039	65,222	29
30	Williams Gas Marketing	1,363,550	0.30934	421,805	30
31	Optional/Bypass	(403,504)	0.38455	(155,169)	31
32	Special Procurement Purchases	(4,238,740)	0.31825	(1,348,976)	32
33	Total Variable Interruptible	<u>12,156,246</u>	<u>\$ 0.26947</u>	<u>\$ 3,275,798</u>	33
34	Total Interruptible Purchases	<u>17,667,566</u>	<u>\$ 0.27742</u>	<u>\$ 4,901,359</u>	34

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
JUNE 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
35	Macquarie Cook Energy	1,546,400	\$ 0.75800	\$ 1,172,171	35
36	National Fuel Marketing	3,090,520	0.80491	2,487,605	36
37	Occidental Energy Marketing	7,731,780	0.91188	7,050,474	37
38	Total Fixed Firm	<u>12,368,700</u>	<u>\$ 0.86592</u>	<u>\$ 10,710,250</u>	38
Variable					
39	Dacott Industries	16,390	\$ 0.31600	\$ 5,179	39
40	Total Variable Firm	<u>16,390</u>	<u>\$ 0.31600</u>	<u>\$ 5,179</u>	40
41	Total Firm Purchases	<u>12,385,090</u>	<u>\$ 0.86519</u>	<u>\$ 10,715,429</u>	41
42	Total Gas Purchases	<u>30,052,656</u>	<u>\$ 0.51965</u>	<u>\$ 15,616,788</u>	42
<u>Transportation Charges</u>					
El Paso Firm Reservation					
43	Contract # FT28K000			\$ 705,973	43
44	Contract # FT28L000			481,817	44
45	Contract # FT28M000			1,255,518	45
46	Contract # FT28N000			1,520,070	46
47	Contract # H3224000			63,410	47
48	Total El Paso Reservation Charges			<u>4,026,788</u>	48
49	EPNG ACA Charges			5,546	49
50	EPNG Transportation Base Usage			75,428	50
51	EPNG Reservation at Alternative			95,619	51
52	EPNG Reservation at Alternative Correction 04/2009			(25,034)	52
53	Transwestern Firm Reservation Charge			17,050	53
54	Transwestern Transportation Base Usage			385	54
55	Transwestern ACA			3	55
56	EPNG Capacity Release Credit			(628,994)	56
57	EPNG Reservation at Alternative Capacity Release			(95,611)	57
58	Total Transportation Charges			<u>\$ 3,471,181</u>	58
59	Total Purchased Gas Cost	<u>30,052,656</u>	<u>\$ 0.63515</u>	<u>\$ 19,087,969</u>	59

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
JULY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
June 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	39,600	\$ 0.28500	\$ 11,286	1
2	Arizona Public Service	150,000	0.30600	45,900	2
3	BP Energy	6,265,180	0.27182	1,703,017	3
4	Cargill	49,860	0.30500	15,207	4
5	Chevron Natural Gas	29,980	0.24100	7,225	5
6	ConocoPhillips	904,680	0.28202	255,142	6
7	Encana Marketing USA	1,496,380	0.26200	392,052	7
8	Fortis Energy Marketing & Trading Group	35,970	0.27700	9,964	8
9	Occidental Energy Marketing	107,320	0.25900	27,796	9
10	Samson Resources	38,560	0.24941	9,617	10
11	Sequent Energy Management	72,000	0.30575	22,014	11
12	Williams Gas Marketing	97,560	0.27350	26,683	12
13	Total Fixed Interruptible	<u>9,287,090</u>	<u>\$ 0.27198</u>	<u>\$ 2,525,903</u>	13
Variable					
14	ABQ Energy Group	341,330	\$ 0.30281	\$ 103,357	14
15	Anadarko Energy Services	20,000	0.23700	4,740	15
16	Chevron Natural Gas	45,180	0.30122	13,609	16
17	ConocoPhillips	2,346,320	0.25035	587,405	17
18	Enserco Energy	60,000	0.30100	18,060	18
19	Macquarie Cook Energy	3,444,060	0.26587	915,685	19
20	Samson Resources	260,000	0.29723	77,279	20
21	Sequent Energy Management	292,680	0.29850	87,365	21
22	Total Gas & Power North America	659,260	0.28750	189,537	22
23	Tristar Producer Services Of Texas	401,210	0.25800	103,512	23
24	Optional/Bypass	(564,328)	0.34965	(197,319)	24
25	Special Procurement Purchases	(3,397,959)	0.30313	(1,030,032)	25
26	Total Variable Interruptible	<u>3,907,753</u>	<u>\$ 0.22345</u>	<u>\$ 873,199</u>	26
27	Total Interruptible Purchases	<u>13,194,843</u>	<u>\$ 0.25761</u>	<u>\$ 3,399,102</u>	27

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
JULY 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
28	Macquarie Cook Energy	1,485,110	\$ 0.75800	\$ 1,125,713	28
29	National Fuel Marketing	2,999,390	0.80500	2,414,509	29
30	Occidental Energy Marketing	7,470,930	0.91183	6,812,193	30
31	Total Fixed Firm	<u>11,955,430</u>	\$ 0.86592	\$ <u>10,352,415</u>	31
Variable					
32	Dacott Industries	14,420	\$ 0.28800	\$ 4,153	32
33	Total Variable Firm	<u>14,420</u>	\$ 0.28800	\$ <u>4,153</u>	33
34	Total Firm Purchases	<u>11,969,850</u>	\$ 0.86522	\$ <u>10,356,568</u>	34
35	Total Gas Purchases	<u>25,164,693</u>	\$ 0.54663	\$ <u>13,755,670</u>	35
<u>Transportation Charges</u>					
El Paso Firm Reservation					
36	Contract # FT28K000			\$ 637,358	36
37	Contract # FT28L000			416,058	37
38	Contract # FT28M000			1,383,703	38
39	Contract # FT28N000			748,507	39
40	Contract # H3224000			63,410	40
41	Total El Paso Reservation Charges			<u>3,249,036</u>	41
42	EPNG ACA Charges			4,937	42
43	EPNG Transportation Base Usage			67,037	43
44	EPNG Penalties			1,317	44
45	EPNG Demand Charge Credit			(154)	45
46	EPNG Resv at Alternative			78,974	46
47	Transwestern Firm Reservation Charge			16,500	47
48	Transwestern Transportation Base Usage			371	48
49	Transwestern ACA			7	49
50	EPNG Capacity Release Credit			(560,251)	50
51	EPNG Reservation at Alternative Capacity Release			(78,974)	51
52	Total Transportation Charges			\$ <u>2,778,800</u>	52
53	Total Purchased Gas Cost	<u>25,164,693</u>	\$ 0.65705	\$ <u>16,534,470</u>	53

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
AUGUST 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
July 2009 Actual Gas Costs					
<u>Interruptible Purchases</u>					
Fixed					
1	ABQ Energy Group	4,000	\$ 0.29200	\$ 1,168	1
2	BP Energy	4,215,280	0.32187	1,356,753	2
3	Cargill	96,580	0.31700	30,616	3
4	ConocoPhillips	2,561,160	0.31045	795,112	4
5	Encana Marketing USA	1,090,410	0.30412	331,613	5
6	Enserco Energy	99,840	0.30500	30,451	6
7	Macquarie Cook Energy	86,900	0.30385	26,405	7
8	National Fuel Marketing	19,540	0.28000	5,471	8
9	NGTS	30,000	0.30000	9,000	9
10	Samson Resources	292,000	0.31100	90,812	10
11	Sempra Energy Trading	89,670	0.31900	28,605	11
12	Sequent Energy Management	70,000	0.33600	23,520	12
13	Tenaska Marketing Ventures	222,300	0.32973	73,300	13
14	Tristar Producer Services Of Texas	10,000	0.33300	3,330	14
15	United Energy Trading	13,000	0.30000	3,900	15
16	Williams Gas Marketing	116,280	0.27600	32,093	16
17	Total Fixed Interruptible	<u>9,016,960</u>	<u>\$ 0.31520</u>	<u>\$ 2,842,149</u>	17
Variable					
18	ABQ Energy Group	20,360	\$ 0.32225	\$ 6,561	18
19	BP Energy	857,190	0.31622	271,059	19
20	ConocoPhillips	1,558,000	0.30969	482,500	20
21	Encana Marketing USA	350,000	0.31793	111,275	21
22	Pacific Summit Energy	477,920	0.32375	154,727	22
23	Samson Resources	3,651,930	0.30645	1,119,151	23
24	Sempra Energy Trading	4,660	0.33450	1,559	24
25	Optional/Bypass	(582,907)	0.38180	(222,555)	25
26	Special Procurement Purchases	(3,734,436)	0.33768	(1,261,051)	26
27	Total Variable Interruptible	<u>2,602,717</u>	<u>\$ 0.25482</u>	<u>\$ 663,225</u>	27
28	Total Interruptible Purchases	<u>11,619,677</u>	<u>\$ 0.30168</u>	<u>\$ 3,505,374</u>	28

**SOUTHWEST GAS CORPORATION
ARIZONA JURISDICTION
COST OF GAS DETAIL
AUGUST 2009**

Line No.	Description (a)	Therms (b)	Per Unit Cost (c)	Total Cost (d)	Line No.
<u>Firm Purchases</u>					
Fixed					
29	Macquarie Cook Energy	1,548,970	\$ 0.75800	\$ 1,174,119	29
30	National Fuel Marketing	3,095,310	0.80496	2,491,608	30
31	Occidental Energy Marketing	7,715,010	0.91180	7,034,528	31
32	Total Fixed Firm	<u>12,359,290</u>	<u>\$ 0.86577</u>	<u>\$ 10,700,254</u>	32
Variable					
33	Dacott Industries	13,650	\$ 0.31360	\$ 4,281	33
34	Total Variable Firm	<u>13,650</u>	<u>\$ 0.31360</u>	<u>\$ 4,281</u>	34
35	Total Firm Purchases	<u>12,372,940</u>	<u>\$ 0.86516</u>	<u>\$ 10,704,535</u>	35
36	Total Gas Purchases	<u>23,992,617</u>	<u>\$ 0.59226</u>	<u>\$ 14,209,909</u>	36
<u>Transportation Charges</u>					
El Paso Firm Reservation					
37	Contract # FT28K000			\$ 622,610	37
38	Contract # FT28L000			406,141	38
39	Contract # FT28M000			1,405,977	39
40	Contract # FT28N000			652,082	40
41	Contract # H3224000			63,410	41
42	Total El Paso Reservation Charges			<u>3,150,220</u>	42
43	EPNG ACA Charges			4,498	43
44	EPNG ACA Charge Correction 06/2009			(20)	44
45	EPNG Transportation Base Usage			61,122	45
46	EPNG Transportation Base Usage Correction 06/2009			(275)	46
47	EPNG Penalties			(657)	47
48	EPNG Reservation at Alternative			76,839	48
49	Transwestern Firm Reservation Charge			17,050	49
50	Transwestern Transportation Base Usage			321	50
51	Transwestern ACA			2	51
52	EPNG Capacity Release Credit			(540,163)	52
53	EPNG Reservation at Alternative Capacity Release			(76,839)	53
54	Total Transportation Charges			<u>\$ 2,692,098</u>	54
55	Total Purchased Gas Cost	<u>23,992,617</u>	<u>\$ 0.70447</u>	<u>\$ 16,902,007</u>	55

TAB C

COMPARATIVE SCHEDULES

Comparison of Previously Estimated Gas Purchases to Actual Gas Purchases

This section provides a comparison of actual recorded gas purchases and the estimated gas purchases as filed in the 2008 Arizona Annual Gas Procurement Plan (September 2008 through August 2009). This information reflects the gas purchases and associated services paid for by Southwest to suppliers and upstream service providers. The information does not estimate or report actual balancing account entries, nor does it reflect all entries made to the gas cost balancing account. The estimate and report of actual costs are only intended to represent expenditures made related to gas supply acquisitions and services to the city gate.

The difference between estimated and actual costs may vary widely on a monthly basis due to the volatility of market prices. In addition, differences between estimated and actual volumes, changes in transportation charges, and varying capacity release credits all contribute to variances in unit costs at the city gates.

The subsequent sheets present a detailed analysis of the monthly estimated and actual costs.

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
TWELVE MONTHS ENDING AUGUST 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		67,473,375 \$	6.8217 \$	460,283,242	1
2	Purchases Into Transwestern		36,833 \$	7.3194 \$	269,595	2
3	Total Purchases into El Paso and Transwestern		67,510,208 \$	6.8220 \$	460,552,837	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		65,549,766 \$	0.0413 \$	2,706,378	4
5	Transwestern Transportation Charge		35,969 \$	0.2383 \$	8,570	5
6	Before Fixed Charges^[2]		65,585,736 \$	7.0635 \$	463,267,785	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1			\$	19,990,526	7
8	El Paso Demand Charges - FT1			\$	6,774,798	8
9	El Paso Line 1903 Demand Charges - FT1			\$	4,406,447	9
10	El Paso Premium Services - FTH3			\$	21,491,795	10
11	El Paso Premium Services - FTH8			\$	905,368	11
12	El Paso Premium Services - NNTH-3			\$	5,455,000	12
13	TW Demand Charges - FTS5			\$	84,150	13
14	Including Fixed Charges^[2]		65,585,736 \$	7.9648 \$	522,375,870	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0 \$	0.0000 \$	0	15
16	before Misc. Credits / Charges		65,585,736 \$	7.9648 \$	522,375,870	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	(1,745,770)	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	0	18
19	Other Credits/Charges			\$	371,142	19
20	Out of Period Adjustments			\$	0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		65,585,736 \$	7.9438 \$	521,001,242	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
TWELVE MONTHS ENDING AUGUST 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases into El Paso		58,300,256	\$ 6.4029	\$ 373,290,925	1
2	Purchases into Transwestern		36,755	3.6454	133,985	2
3	Fixed for Float Swaps				10,339,200	3
4	Subtotal Lines 1 through 3		<u>58,337,011</u>	\$ <u>6.5784</u>	\$ <u>383,764,110</u>	4
<u>Pipeline Variable Charges @ the City Gate</u>						
5	El Paso Volumetric Transportation Charge		56,591,940	\$ 0.0311	\$ 1,760,000	5
6	Transwestern Transportation Charge		36,236	0.2215	8,028	6
7	Total Lines 4 through 6		<u>56,628,176</u>	\$ <u>6.8081</u>	\$ <u>385,532,138</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES				\$ 54,503,041	8
9	El Paso R-1 Line 1903 Charge				4,438,672	9
10	TWPL				1,362,900	10
11	Total Lines 7 through 10		<u>56,628,176</u>	\$ <u>7.8731</u>	\$ <u>445,836,751</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso		0	\$	0	12
13	CNG				957,249	13
14	Total Lines 11 through 13		<u>56,628,176</u>	\$ <u>7.8731</u>	\$ <u>445,836,751</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(6,596,475)	15
16	Special Gas Procurement Agreement (SPA) Credits				(21,988,074)	16
17	Optional/Bypass Credits					17
18	Other Credits/Charges				(412,965)	18
19	El Paso Revenue Sharing Credit				(805,203)	19
					0	
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>56,628,176</u>	\$ <u>7.3468</u>	\$ <u>416,034,034</u>	20
21	Actual vs. Estimate		<u>(12,227,391)</u>	\$ <u>(0.9416)</u>	\$ <u>(154,668,703)</u>	21

* Volume Total in not cummulative. Volumes are adjusted for fuel in lines 4 and 5

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
SEPTEMBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,132,241	\$ 6.1554	\$ 19,280,064	1
2	Purchases Into Transwestern		1,339	\$ 5.2300	\$ 7,003	2
3	Total Purchases into El Paso and Transwestern		3,133,580	\$ 6.1550	\$ 19,287,067	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,063,107	\$ 0.0365	\$ 111,706	4
5	Transwestern Transportation Charge		1,321	\$ 0.2401	\$ 317	5
6	Before Fixed Charges ^[2]		3,064,428	\$ 6.3304	\$ 19,399,090	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	214,213		\$ 8.4659	\$ 1,813,506	7
8	El Paso Demand Charges - FT1	69,924		\$ 9.2071	\$ 643,797	8
9	El Paso Line 1903 Demand Charges - FT1	60,238		\$ 9.6786	\$ 583,020	9
10	El Paso Premium Services - FTH3	4,964		\$ 9.8398	\$ 48,845	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3	0		\$ 0.0000	\$ 0	12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges ^[2]		3,064,428	\$ 7.3385	\$ 22,488,257	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		3,064,428	\$ 7.3385	\$ 22,488,257	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	(930,210)	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	0	18
19	Other Credits/Charges			\$	(2,113)	19
20	Out of Period Adjustments			\$	0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		3,064,428	\$ 7.0342	\$ 21,555,934	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
SEPTEMBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso		3,132,241	\$ 6.1554	\$ 19,280,064	1
2	Purchases Into Transwestern		1,339	5.2300	7,003	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>3,133,580</u>	\$ <u>6.1550</u>	\$ <u>19,287,067</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		3,063,107	\$ 0.0365	\$ 111,706	5
6	Transwestern Transportation Commodity		1,321	0.2400	317	6
7	Total Lines 4 through 6		<u>3,064,428</u>	\$ <u>6.3304</u>	\$ <u>19,399,090</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	281,613		\$ 8.8918	\$ 2,504,034	8
9	El Paso R-1 Line 1903 Charge	60,238		9.6786	583,020	9
10	TWPL	0				10
11	Total Lines 7 through 10		<u>3,064,428</u>	\$ <u>7.3378</u>	\$ <u>22,486,144</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				142,725	13
14	Total Lines 11 through 13		<u>3,064,428</u>	\$ <u>7.3844</u>	\$ <u>22,628,869</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(930,210)	15
16	Special Gas Procurement Agreement (SPA) Credits				(2,955,521)	16
17	Optional/Bypass Credits				(88,610)	17
18	Other Credits/Charges				(2)	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>3,064,428</u>	\$ <u>6.0874</u>	\$ <u>18,654,526</u>	20
21	Actual vs. Estimate		<u>35,283</u>	\$ <u>(0.9957)</u>	\$ <u>(2,801,247)</u>	21

* Volume Total in not cummulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	18,654,526
191 Report Total	18,801,200
Diff	(146,674)
Special Gas Procurement Credits	(145,472)
Interstate Pipeline Charges	(1,202)
Total Diff	(146,674)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
OCTOBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,945,397	\$ 4.7744	\$ 18,836,780	1
2	Purchases Into Transwestern		2,157	\$ 3.1700	\$ 6,838	2
3	Total Purchases into El Paso and Transwestern		3,947,554	\$ 4.7735	\$ 18,843,618	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,745,767	\$ 0.0363	\$ 135,889	4
5	Transwestern Transportation Charge		2,128	\$ 0.2382	\$ 507	5
6	Before Fixed Charges ^[2]		3,747,895	\$ 5.0642	\$ 18,980,014	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	215,326		\$ 8.4659	\$ 1,822,928	7
8	El Paso Demand Charges - FT1	88,610		\$ 9.2071	\$ 815,841	8
9	El Paso Line 1903 Demand Charges - FT1	59,072		\$ 9.6786	\$ 571,734	9
10	El Paso Premium Services - FTH3	4,964		\$ 9.8398	\$ 48,845	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3	0		\$ 0.0000	\$ 0	12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges ^[2]		3,747,895	\$ 5.9338	\$ 22,239,363	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		3,747,895	\$ 5.9338	\$ 22,239,363	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits				\$ (815,561)	17
18	Special Gas Procurement Agreement (SPA) Credits				\$ 0	18
19	Other Credits/Charges				\$ 23,256	19
20	Out of Period Adjustments				\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		3,747,895	\$ 5.7224	\$ 21,447,058	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
OCTOBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		3,948,882	\$ 4.7760	\$ 18,859,964	1
2	Purchases Into Transwestern		2,157	3.1701	6,838	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>3,951,039</u>	<u>\$ 4.7751</u>	<u>\$ 18,866,802</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		3,745,767	\$ 0.0363	\$ 135,889	5
6	Transwestern Transportation Commodity		2,128	0.2401	511	6
7	Total Lines 4 through 6		<u>3,747,895</u>	<u>\$ 5.0704</u>	<u>\$ 19,003,202</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	301,746		\$ 8.9004	\$ 2,685,661	8
9	El Paso R-1 Line 1903 Charge	58,304		9.8020	571,494	9
10	TWPL					10
11	Total Lines 7 through 10		<u>3,747,895</u>	<u>\$ 5.9394</u>	<u>\$ 22,260,357</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				145,053	13
14	Total Lines 11 through 13		<u>3,747,895</u>	<u>\$ 5.9781</u>	<u>\$ 22,405,410</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(815,561)	15
16	Special Gas Procurement Agreement (SPA) Credits				(2,037,813)	16
17	Optional/Bypass Credits				(69,641)	17
18	Other Credits/Charges				89	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>3,747,895</u>	<u>\$ 5.1982</u>	<u>\$ 19,482,484</u>	20
21	Actual vs. Estimate		<u>(147,109)</u>	<u>\$ (1.8882)</u>	<u>\$ (8,119,149)</u>	21

* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	19,482,484
191 Report Total	19,664,787
Diff	(182,303)
Special Gas Procurement Credits	(182,301)
Interstate Pipeline Charges	(2)
Total Diff	(182,303)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
NOVEMBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		6,461,240	\$ 5.9787	\$ 38,629,685	1
2	Purchases Into Transwestern		3,131	\$ 5.6600	\$ 17,721	2
3	Total Purchases into El Paso and Transwestern		6,464,371	\$ 5.9785	\$ 38,647,406	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		6,284,202	\$ 0.0384	\$ 241,179	4
5	Transwestern Transportation Charge		3,054	\$ 0.2382	\$ 728	5
6	Before Fixed Charges ^[2]		6,287,256	\$ 6.1854	\$ 38,889,313	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	64,750		\$ 8.4659	\$ 548,167	7
8	El Paso Demand Charges - Reformed	0		\$ 0.0000	\$ 0	8
9	El Paso Line 1903 Demand Charges - FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	198,211		\$ 9.8398	\$ 1,950,357	10
11	El Paso Premium Services - FTH8	9,532		\$ 15.5095	\$ 147,837	11
12	El Paso Premium Services - NNTH-3	250,000		\$ 10.9100	\$ 2,727,500	12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges ^[2]		6,287,256	\$ 7.0401	\$ 44,263,173	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		6,287,256	\$ 7.0401	\$ 44,263,173	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 65,000	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		6,287,256	\$ 7.0505	\$ 44,328,173	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
NOVEMBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
Gas Purchases into El Paso and Transwestern						
1	Purchases Into El Paso		5,395,194	\$ 6.7873	\$ 36,819,001	1
2	Purchases Into Transwestern		3,511	4.1498	14,570	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>5,398,705</u>	<u>\$ 6.7856</u>	<u>\$ 36,833,571</u>	4
Pipeline Variable Charges to the City Gate						
5	El Paso Transportation Commodity-ML		4,921,351	\$ 0.0372	\$ 182,986	5
6	Transwestern Transportation Commodity		3,464	0.2399	831	6
7	Total Lines 4 through 6		<u>4,924,815</u>	<u>\$ 7.4759</u>	<u>\$ 36,817,388</u>	7
Pipeline Reservation Charges						
8	El Paso R-1 Res./Demand 1-RES	522,493		\$ 10.2896	\$ 5,376,260	8
9	El Paso R-1 Line 1903 Charge	0			0	9
10	TWPL					10
11	Total Lines 7 through 10		<u>4,924,815</u>	<u>\$ 8.5676</u>	<u>\$ 42,193,648</u>	11
Gas Purchases at the City Gate (Bundled)						
12	El Paso			\$	\$	12
13	CNG				144,258	13
14	Total Lines 11 through 13		<u>4,924,815</u>	<u>\$ 8.5969</u>	<u>\$ 42,337,906</u>	14
Miscellaneous Charges and/or Credits						
15	El Paso Capacity Release Credits				0	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,876,046)	16
17	Optional/Bypass Credits				(93,025)	17
18	Other Credits/Charges				0	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>4,924,815</u>	<u>\$ 8.1970</u>	<u>\$ 40,368,835</u>	20
21	Actual vs. Estimate		<u>(1,547,967)</u>	<u>\$ 0.2510</u>	<u>\$ (11,063,925)</u>	21

* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	40,368,835
191 Report Total	40,568,629
Diff	(199,794)
Special Gas Procurement Credits	(199,794)
Interstate Pipeline Charges	0
Total Diff	(199,794)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
DECEMBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		10,325,785	\$ 7.3564	\$ 75,961,000	1
2	Purchases Into Transwestern		6,761	\$ 6.5600	\$ 44,352	2
3	Total Purchases into El Paso and Transwestern		10,332,546	\$ 7.3559	\$ 76,005,352	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		10,042,859	\$ 0.0381	\$ 383,116	4
5	Transwestern Transportation Charge		6,595	\$ 0.2382	\$ 1,571	5
6	Before Fixed Charges^[2]		10,049,454	\$ 7.6014	\$ 76,390,039	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	231,446		\$ 8.4659	\$ 1,959,399	7
8	El Paso Demand Charges - FT1	0		\$ 0.0000	\$ 0	8
9	El Paso Line 1903 Demand Charges - FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	198,211		\$ 9.8398	\$ 1,950,357	10
11	El Paso Premium Services - FTH8	9,532		\$ 15.5095	\$ 147,837	11
12	El Paso Premium Services - NNTH-3	250,000		\$ 10.9100	\$ 2,727,500	12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges^[2]		10,049,454	\$ 8.2766	\$ 83,175,131	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		10,049,454	\$ 8.2766	\$ 83,175,131	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 74,000	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		10,049,454	\$ 8.2839	\$ 83,249,131	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
DECEMBER 2008

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		9,024,972	\$ 7.4351	\$ 67,101,391	1
2	Purchases Into Transwestern		6,841	5.0300	34,410	2
3	Fixed for Float Swaps				3,310,800	3
4	Subtotal Lines 1 through 3		9,031,813	\$ 7.7998	\$ 70,446,601	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		8,973,501	\$ 0.0372	\$ 334,255	5
6	Transwestern Transportation Commodity		6,750	0.2399	1,619	6
7	Total Lines 4 through 6		8,980,251	\$ 7.8820	\$ 70,782,475	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	689,189		\$ 9.8485	\$ 6,787,493	8
9	El Paso R-1 Line 1903 Charge	0				9
10	TWPL					10
11	Total Lines 7 through 10		8,980,251	\$ 8.6378	\$ 77,569,968	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				144,258	13
14	Total Lines 11 through 13		8,980,251	\$ 8.6539	\$ 77,714,226	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(135,900)	15
16	Special Gas Procurement Agreement (SPA) Credits				(3,137,430)	16
17	Optional/Bypass Credits				(95,832)	17
18	Other Credits/Charges				450	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		8,980,251	\$ 8.2788	\$ 74,345,514	20
21	Actual vs. Estimate		(1,438,218)	\$ 0.2983	\$ (8,798,767)	21

* Volume Total in not cummulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	74,345,514
191 Report Total	74,541,672
Diff	(196,158)
Special Gas Procurement Credits	(196,111)
Interstate Pipeline Charges	(47)
Total Diff	(196,158)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
JANUARY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		10,056,865	\$ 7.2681	\$ 73,094,629	1
2	Purchases Into Transwestern		7,072	\$ 7.4500	\$ 52,686	2
3	Total Purchases into El Paso and Transwestern		10,063,937	\$ 7.2683	\$ 73,147,315	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		9,781,306	\$ 0.0419	\$ 409,691	4
5	Transwestern Transportation Charge		6,899	\$ 0.2382	\$ 1,643	5
6	Before Fixed Charges^[2]		9,788,205	\$ 7.5150	\$ 73,558,650	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	266,449		\$ 8.5685	\$ 2,283,056	7
8	El Paso Demand Charges - FT1	0		\$ 0.0000	\$ 0	8
9	El Paso Line 1903 Demand Charges - FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	448,211		\$ 12.7740	\$ 5,725,447	10
11	El Paso Premium Services - FTH8	9,532		\$ 21.3210	\$ 203,232	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges^[2]		9,788,205	\$ 8.3540	\$ 81,770,385	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		9,788,205	\$ 8.3540	\$ 81,770,385	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 79,000	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		9,788,205	\$ 8.3620	\$ 81,849,385	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
JANUARY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		8,972,242	\$ 7.2731	\$ 65,256,170	1
2	Purchases Into Transwestern		4,461	3.9700	17,710	2
3	Fixed for Float Swaps				3,186,800	3
4	Subtotal Lines 1 through 3		<u>8,976,703</u>	\$ <u>7.6265</u>	\$ <u>68,460,680</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		8,435,272	\$ 0.0299	\$ 252,408	5
6	Transwestern Transportation Commodity		4,402	0.2399	1,056	6
7	Total Lines 4 through 6		<u>8,439,674</u>	\$ <u>8.1418</u>	\$ <u>68,714,144</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	724,192		\$ 11.3133	\$ 8,192,989	8
9	El Paso R-1 Line 1903 Charge	0			0	9
10	TWPL					10
11	Total Lines 7 through 10		<u>8,439,674</u>	\$ <u>9.1126</u>	\$ <u>76,907,133</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				144,258	13
14	Total Lines 11 through 13		<u>8,439,674</u>	\$ <u>9.1297</u>	\$ <u>77,051,391</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				0	15
16	Special Gas Procurement Agreement (SPA) Credits				(2,489,674)	16
17	Optional/Bypass Credits				(95,805)	17
18	Other Credits/Charges				0	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>8,439,674</u>	\$ <u>8.8233</u>	\$ <u>74,465,912</u>	20
21	Actual vs. Estimate		<u>(1,712,403)</u>	\$ <u>0.0923</u>	\$ <u>(14,171,859)</u>	21

* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	74,465,912
191 Report Total	74,729,587
Diff	(263,675)
Special Gas Procurement Credits	(263,675)
Interstate Pipeline Charges	0
Total Diff	(263,675)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
FEBRUARY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		7,930,890	\$ 7.5953	\$ 60,237,121	1
2	Purchases Into Transwestern		4,957	\$ 7.8700	\$ 39,012	2
3	Total Purchases into El Paso and Transwestern		7,935,847	\$ 7.5954	\$ 60,276,133	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		7,713,583	\$ 0.0425	\$ 327,776	4
5	Transwestern Transportation Charge		4,836	\$ 0.2382	\$ 1,152	5
6	Before Fixed Charges^[2]		7,718,418	\$ 7.8520	\$ 60,605,060	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	179,543		\$ 8.5685	\$ 1,538,406	7
8	El Paso Demand Charges - FT1	0		\$ 0.0000	\$ 0	8
9	El Paso Line 1903 Demand Charges - FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	448,211		\$ 12.7740	\$ 5,725,447	10
11	El Paso Premium Services - FTH8	9,532		\$ 21.3210	\$ 203,232	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges^[2]		7,718,418	\$ 8.8194	\$ 68,072,145	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		7,718,418	\$ 8.8194	\$ 68,072,145	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 66,000	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		7,718,418	\$ 8.8280	\$ 68,138,145	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
FEBRUARY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso		7,295,869	\$ 6.5829	\$ 48,028,132	1
2	Purchases Into Transwestern		4,395	3.2200	14,152	2
3	Fixed for Float Swaps				3,841,600	3
4	Subtotal Lines 1 through 3		<u>7,300,264</u>	<u>\$ 7.1071</u>	<u>\$ 51,883,884</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		6,798,340	\$ 0.0301	\$ 204,368	5
6	Transwestern Transportation Commodity		4,336	0.2399	1,040	6
7	Total Lines 4 through 6		<u>6,802,676</u>	<u>\$ 7.6572</u>	<u>\$ 52,089,292</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	637,286		\$ 11.6972	\$ 7,454,453	8
9	El Paso R-1 Line 1903 Charge	0			0	9
10	TWPL					10
11	Total Lines 7 through 10		<u>6,802,676</u>	<u>\$ 8.7530</u>	<u>\$ 59,543,745</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso		0	\$	0	12
13	CNG				145,118	13
14	Total Lines 11 through 13		<u>6,802,676</u>	<u>\$ 8.7743</u>	<u>\$ 59,688,863</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(549,356)	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,705,728)	16
17	Optional/Bypass Credits				(126,944)	17
18	Other Credits/Charges				0	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>6,802,676</u>	<u>\$ 8.4242</u>	<u>\$ 57,306,835</u>	20
21	Actual vs. Estimate		<u>(1,392,511)</u>	<u>\$ (0.5081)</u>	<u>\$ (15,894,954)</u>	21
* Volume Total in not cummulative. Volumes are adjusted for fuel in lines 4 and 5						
Report Total					57,306,835	
191 Report Total					57,561,051	
Diff					(254,216)	
Special Gas Procurement Credits					(254,216)	
Interstate Pipeline Charges					(254,216)	
Total Diff					(254,216)	

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
MARCH 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		6,969,139	\$ 7.2268	\$ 50,364,881	1
2	Purchases Into Transwestern		3,242	\$ 8.4200	\$ 27,298	2
3	Total Purchases into El Paso and Transwestern		6,972,381	\$ 7.2274	\$ 50,392,179	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		6,778,184	\$ 0.0430	\$ 291,480	4
5	Transwestern Transportation Charge		3,163	\$ 0.2382	\$ 753	5
6	Before Fixed Charges^[2]		6,781,347	\$ 7.4741	\$ 50,684,412	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	121,345		\$ 8.5685	\$ 1,039,739	7
8	El Paso Demand Charges - FT1	0		\$ 0.0000	\$ 0	8
9	El Paso Line 1903 Demand Charges - FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	448,211		\$ 12.7740	\$ 5,725,447	10
11	El Paso Premium Services - FTH8	9,532		\$ 21.3210	\$ 203,232	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	0		\$ 0.0000	\$ 0	13
14	Including Fixed Charges^[2]		6,781,347	\$ 8.5017	\$ 57,652,830	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		6,781,347	\$ 8.5017	\$ 57,652,830	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 66,000	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		6,781,347	\$ 8.5114	\$ 57,718,830	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
MARCH 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		4,999,438	\$ 7.6614	\$ 38,302,781	1
2	Purchases Into Transwestern		3,013	2.7099	8,165	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>5,002,451</u>	\$ <u>7.6584</u>	\$ <u>38,310,946</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		5,128,163	\$ 0.0299	\$ 153,314	5
6	Transwestern Transportation Commodity		2,973	0.2398	713	6
7	Total Lines 4 through 6		<u>5,131,136</u>	\$ <u>7.4964</u>	\$ <u>38,464,973</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	579,088		\$ 12.0187	\$ 6,959,881	8
9	El Paso R-1 Line 1903 Charge	0				9
10	TWPL	75,000		17.0500	1,278,750	10
11	Total Lines 7 through 10		<u>5,131,136</u>	\$ <u>9.1020</u>	\$ <u>46,703,604</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				91,579	13
14	Total Lines 11 through 13		<u>5,131,136</u>	\$ <u>9.1198</u>	\$ <u>46,795,183</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(690,998)	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,584,865)	16
17	Optional/Bypass Credits				(129,112)	17
18	Other Credits/Charges				(418,723)	18
19	El Paso Revenue Sharing Credit				(1,023,053)	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>5,131,136</u>	\$ <u>8.3702</u>	\$ <u>42,948,632</u>	20
21	Actual vs. Estimate		<u>(1,908,430)</u>	\$ <u>(0.7080)</u>	\$ <u>(20,957,730)</u>	21
* Volume Total in not cummulative. Volumes are adjusted for fuel in lines 4 and 5						
Report Total					42,948,632	
191 Report Total					43,179,200	
Diff					(230,568)	
Special Gas Procurement Credits					(230,568)	
Interstate Pipeline Charges						
Total Diff					(230,568)	

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
APRIL 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		4,953,941	\$ 6.3137	\$ 31,277,655	1
2	Purchases Into Transwestern		2,155	\$ 9.2800	\$ 19,998	2
3	Total Purchases into El Paso and Transwestern		4,956,096	\$ 6.3150	\$ 31,297,653	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		4,818,202	\$ 0.0443	\$ 213,420	4
5	Transwestern Transportation Charge		2,102	\$ 0.2382	\$ 501	5
6	Before Fixed Charges^[2]		4,820,305	\$ 6.5373	\$ 31,511,574	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	205,940		\$ 8.5685	\$ 1,764,587	7
8	El Paso Demand Charges - FT1	147,352		\$ 11.8240	\$ 1,742,290	8
9	El Paso Line 1903 Demand Charges - FT1	68,467		\$ 10.0629	\$ 688,976	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	1,000		\$ 16.5000	\$ 16,500	13
14	Including Fixed Charges^[2]		4,820,305	\$ 7.4243	\$ 35,787,337	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		4,820,305	\$ 7.4243	\$ 35,787,337	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 0	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		4,820,305	\$ 7.4243	\$ 35,787,337	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
APRIL 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		3,572,468	\$ 4.6657	\$ 16,668,167	1
2	Purchases Into Transwestern		2,257	2.8099	6,342	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>3,574,725</u>	\$ <u>4.6646</u>	\$ <u>16,674,509</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		4,044,182	\$ 0.0245	\$ 98,964	5
6	Transwestern Transportation Commodity		2,227	0.2398	534	6
7	Total Lines 4 through 6		<u>4,046,409</u>	\$ <u>4.1454</u>	\$ <u>16,774,007</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	353,391		\$ 10.0580	\$ 3,554,421	8
9	El Paso R-1 Line 1903 Charge	68,226		10.1984	695,799	9
10	TWPL	1,000		16.5000	16,500	10
11	Total Lines 7 through 10		<u>4,046,409</u>	\$ <u>5.1999</u>	\$ <u>21,040,727</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				0	13
14	Total Lines 11 through 13		<u>4,046,409</u>	\$ <u>5.1999</u>	\$ <u>21,040,727</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(1,216,595)	15
16	Special Gas Procurement Agreement (SPA) Credits				(631,534)	16
17	Optional/Bypass Credits				(130,927)	17
18	Other Credits/Charges				30,240	18
19	El Paso Revenue Sharing Credit				217,850	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>4,046,409</u>	\$ <u>4.7721</u>	\$ <u>19,309,761</u>	20
21	Actual vs. Estimate		<u>(1,073,657)</u>	\$ <u>(3.2342)</u>	\$ <u>(21,682,557)</u>	21

* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	19,309,761
191 Report Total	19,382,775
Diff	(73,014)
Special Gas Procurement Credits	(70,944)
Interstate Pipeline Charges	(2,070)
Total Diff	(73,014)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
MAY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,903,611	\$ 6.4891	\$ 25,330,985	1
2	Purchases Into Transwestern		1,838	\$ 9.5600	\$ 17,571	2
3	Total Purchases into El Paso and Transwestern		3,905,449	\$ 6.4906	\$ 25,348,556	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,796,652	\$ 0.0446	\$ 169,190	4
5	Transwestern Transportation Charge		1,793	\$ 0.2382	\$ 427	5
6	Before Fixed Charges^[2]		3,798,445	\$ 6.7181	\$ 25,518,173	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	204,438		\$ 8.5685	\$ 1,751,717	7
8	El Paso Demand Charges - FT1	128,558		\$ 11.8240	\$ 1,520,070	8
9	El Paso Line 1903 Demand Charges - FT1	69,460		\$ 10.0629	\$ 698,969	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	1,000		\$ 17.0500	\$ 17,050	13
14	Including Fixed Charges^[2]		3,798,445	\$ 7.7846	\$ 29,569,389	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		3,798,445	\$ 7.7846	\$ 29,569,389	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 0	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		3,798,445	\$ 7.7846	\$ 29,569,389	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
MAY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		3,467,851	\$ 4.9356	\$ 17,115,754	1
2	Purchases Into Transwestern		1,639	3.1599	5,179	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		3,469,490	\$ 4.9347	\$ 17,120,933	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		3,262,556	\$ 0.0248	\$ 80,974	5
6	Transwestern Transportation Commodity		1,617	0.2400	388	6
7	Total Lines 4 through 6		3,264,173	\$ 5.2700	\$ 17,202,295	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	337,960		\$ 9.8261	\$ 3,320,815	8
9	El Paso R-1 Line 1903 Charge	69,460		10.1637	705,974	9
10	TWPL	1,000		17.0500	17,050	10
11	Total Lines 7 through 10		3,264,173	\$ 6.5089	\$ 21,246,134	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG				0	13
14	Total Lines 11 through 13		3,264,173	\$ 6.5089	\$ 21,246,134	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(628,993)	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,479,041)	16
17	Optional/Bypass Credits				(155,169)	17
18	Other Credits/Charges				(25,026)	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		3,264,173	\$ 5.8079	\$ 18,957,905	20
21	Actual vs. Estimate		(854,810)	\$ (2.2683)	\$ (14,307,760)	21

* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	18,957,905
191 Report Total	19,087,969
Diff	(130,064)
Special Gas Procurement Credits	(130,064)
Interstate Pipeline Charges	0
Total Diff	(130,064)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
JUNE 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,381,506	\$ 6.7095	\$ 22,688,335	1
2	Purchases Into Transwestern		1,458	\$ 10.9300	\$ 15,936	2
3	Total Purchases into El Paso and Transwestern		3,382,964	\$ 6.7114	\$ 22,704,271	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,288,852	\$ 0.0445	\$ 146,214	4
5	Transwestern Transportation Charge		1,422	\$ 0.2382	\$ 339	5
6	Before Fixed Charges ^[2]		3,290,275	\$ 6.9450	\$ 22,850,824	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	211,784		\$ 8.5685	\$ 1,814,661	7
8	El Paso Demand Charges - FT1	63,304		\$ 11.8240	\$ 748,506	8
9	El Paso Line 1903 Demand Charges - FT1	62,709		\$ 10.0629	\$ 631,034	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	1,000		\$ 16.5000	\$ 16,500	13
14	Including Fixed Charges ^[2]		3,290,275	\$ 7.9400	\$ 26,124,936	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		3,290,275	\$ 7.9400	\$ 26,124,936	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 0	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		3,290,275	\$ 7.9400	\$ 26,124,936	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
JUNE 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso		2,908,258	\$ 5.1480	\$ 14,971,642	1
2	Purchases Into Transwestern		4,440	2.5626	11,378	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>2,912,698</u>	<u>\$ 5.1440</u>	<u>\$ 14,983,020</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		2,904,286	\$ 0.0248	\$ 71,974	5
6	Transwestern Transportation Commodity		4,352	0.0871	379	6
7	Total Lines 4 through 6		<u>2,908,638</u>	<u>\$ 5.1761</u>	<u>\$ 15,055,373</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	279,653		\$ 9.3386	\$ 2,611,565	8
9	El Paso R-1 Line 1903 Charge	62,587		10.1829	637,317	9
10	TWPL	1,000		16.5000	16,500	10
11	Total Lines 7 through 10		<u>2,908,638</u>	<u>\$ 6.2987</u>	<u>\$ 18,320,755</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso		0	\$	0	12
13	CNG					13
14	Total Lines 11 through 13		<u>2,908,638</u>	<u>\$ 6.2987</u>	<u>\$ 18,320,755</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(560,251)	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,221,581)	16
17	Optional/Bypass Credits				(197,319)	17
18	Other Credits/Charges				1,317	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>2,908,638</u>	<u>\$ 5.6188</u>	<u>\$ 16,342,921</u>	20
21	Actual vs. Estimate		<u>(746,248)</u>	<u>\$ (2.4819)</u>	<u>\$ (13,264,152)</u>	21
* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5						
	Report Total				16,342,921	
	191 Report Total				16,534,470	
	Diff				(191,549)	
	Special Gas Procurement Credits				(191,549)	
	Interstate Pipeline Charges				(191,549)	
	Total Diff				(191,549)	

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
JULY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,208,926	\$ 6.8890	\$ 22,106,233	1
2	Purchases Into Transwestern		1,350	\$ 9.8200	\$ 13,257	2
3	Total Purchases into El Paso and Transwestern		3,210,276	\$ 6.8902	\$ 22,119,490	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,121,002	\$ 0.0444	\$ 138,472	4
5	Transwestern Transportation Charge		1,317	\$ 0.2382	\$ 314	5
6	Before Fixed Charges^[2]		3,122,319	\$ 7.1288	\$ 22,258,275	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	213,238		\$ 8.5685	\$ 1,827,120	7
8	El Paso Demand Charges - FT1	55,149		\$ 11.8240	\$ 652,082	8
9	El Paso Line 1903 Demand Charges - FT1	61,258		\$ 10.0629	\$ 616,433	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	1,000		\$ 17.0500	\$ 17,050	13
14	Including Fixed Charges^[2]		3,122,319	\$ 8.1460	\$ 25,434,370	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		3,122,319	\$ 8.1460	\$ 25,434,370	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 0	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		3,122,319	\$ 8.1460	\$ 25,434,370	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
JULY 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso		2,829,631	\$ 5.5446	\$ 15,689,235	1
2	Purchases Into Transwestern		1,365	3.1355	4,280	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>2,830,996</u>	<u>\$ 5.5435</u>	<u>\$ 15,693,515</u>	4
<u>Pipeline Variable Charges to the City Gate</u>						
5	El Paso Transportation Commodity-ML		2,633,750	\$ 0.0248	\$ 65,324	5
6	Transwestern Transportation Commodity		1,347	0.2405	324	6
7	Total Lines 4 through 6		<u>2,635,097</u>	<u>\$ 5.9805</u>	<u>\$ 15,759,163</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	273,351		\$ 9.2468	\$ 2,527,610	8
9	El Paso R-1 Line 1903 Charge	61,258		10.1637	622,610	9
10	TWPL	1,000		17.0500	17,050	10
11	Total Lines 7 through 10		<u>2,635,097</u>	<u>\$ 7.1824</u>	<u>\$ 18,926,433</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG					13
14	Total Lines 11 through 13		<u>2,635,097</u>	<u>\$ 7.1824</u>	<u>\$ 18,926,433</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(540,163)	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,450,235)	16
17	Optional/Bypass Credits				(222,555)	17
18	Other Credits/Charges				(1,317)	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>2,635,097</u>	<u>\$ 6.3421</u>	<u>\$ 16,712,163</u>	20
21	Actual vs. Estimate		<u>(759,934)</u>	<u>\$ (2.0757)</u>	<u>\$ (11,866,643)</u>	21

* Volume Total in not cumulative. Volumes are adjusted for fuel in lines 4 and 5

Report Total	16,712,163
191 Report Total	16,902,007
Diff	(189,844)
Special Gas Procurement Credits	(189,184)
Interstate Pipeline Charges	(660)
Total Diff	(189,844)

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
AUGUST 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,203,834	\$ 7.0153	\$ 22,475,874	1
2	Purchases Into Transwestern		1,373	\$ 5.7700	\$ 7,922	2
3	Total Purchases into El Paso and Transwestern		3,205,207	\$ 7.0148	\$ 22,483,796	3
<u>Pipeline Variable Charges at the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,116,049	\$ 0.0444	\$ 138,246	4
5	Transwestern Transportation Charge		1,339	\$ 0.2382	\$ 319	5
6	Before Fixed Charges^[2]		3,117,388	\$ 7.2568	\$ 22,622,361	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2b FT1	213,252		\$ 8.5685	\$ 1,827,240	7
8	El Paso Demand Charges - FT1	55,160		\$ 11.8240	\$ 652,212	8
9	El Paso Line 1903 Demand Charges - FT1	61,243		\$ 10.0629	\$ 616,282	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	El Paso Premium Services - NNTH-3					12
13	TW Demand Charges - FTS5	1,000		\$ 17.0500	\$ 17,050	13
14	Including Fixed Charges^[2]		3,117,388	\$ 8.2757	\$ 25,798,555	14
<u>Gas Purchases at the City Gate (Bundled)</u>						
15	Off of El Paso		0	\$ 0.0000	\$ 0	15
16	before Misc. Credits / Charges		3,117,388	\$ 8.2757	\$ 25,798,555	16
<u>Miscellaneous Charges and/or Credits</u>						
17	El Paso Capacity Release Credits			\$	\$ 0	17
18	Special Gas Procurement Agreement (SPA) Credits			\$	\$ 0	18
19	Other Credits/Charges			\$	\$ 0	19
20	Out of Period Adjustments			\$	\$ 0	20
21	Total Gas Costs at the City Gate Credits / Charges but before Out of Period Adjustments		3,117,388	\$ 8.2757	\$ 25,798,555	21

[1] Based on November 12, 2008 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ACTUAL GAS PURCHASES
AUGUST 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso		2,753,210	\$ 5.5930	\$ 15,398,624	1
2	Purchases Into Transwestern		1,337	2.9604	3,958	2
3	Fixed for Float Swaps					3
4	Subtotal Lines 1 through 3		<u>2,754,547</u>	\$ <u>5.5917</u>	\$ <u>15,402,582</u>	4
<u>Pipeline Variable Charges @ the City Gate</u>						
5	El Paso Volumetric Transportation Charge		2,681,665	\$ 0.0253	\$ 67,838	5
6	Transwestern Transportation Charge		1,319	0.2396	316	6
7	Total Lines 4 through 6		<u>2,682,984</u>	\$ <u>5.7662</u>	\$ <u>15,470,736</u>	7
<u>Pipeline Reservation Charges</u>						
8	El Paso R-1 Res./Demand 1-RES	273,376		\$ 9.2468	\$ 2,527,859	8
9	El Paso R-1 Line 1903 Charge	61,243		10.1637	622,458	9
10	TWPL	1,000		17.0500	17,050	10
11	Total Lines 7 through 10		<u>2,682,984</u>	\$ <u>6.9468</u>	\$ <u>18,638,103</u>	11
<u>Gas Purchases at the City Gate (Bundled)</u>						
12	El Paso			\$	\$	12
13	CNG					13
14	Total Lines 11 through 13		<u>2,682,984</u>	\$ <u>6.9468</u>	\$ <u>18,638,103</u>	14
<u>Miscellaneous Charges and/or Credits</u>						
15	El Paso Capacity Release Credits				(528,448)	15
16	Special Gas Procurement Agreement (SPA) Credits				(1,418,806)	16
17	Optional/Bypass Credits				(234,479)	17
18	Other Credits/Charges				7	18
19	El Paso Revenue Sharing Credit				0	19
20	Total Gas Costs at the City Gate Lines 14 through 19		<u>2,682,984</u>	\$ <u>6.1336</u>	\$ <u>16,456,377</u>	20
21	Actual vs. Estimate		(681,447)	\$ (2.4499)	\$ (12,422,119)	21
* Volume Total in not cummulative. Volumes are adjusted for fuel in lines 4 and 5						
Report Total					16,456,377	
191 Report Total					16,645,690	
Diff					(189,313)	
Special Gas Procurement Credits					(189,184)	
Interstate Pipeline Charges					(129)	
Total Diff					(189,313)	

TAB D

FORECAST OF FUTURE PURCHASES

Estimated Gas Purchases

The following tables summarize Southwest's forecast of purchases and gas prices for the period September 2009 through August 2010.

For each month, the tables provide several gas cost subtotals. As supplies flow from purchase location to downstream locations, volumes are reduced to reflect in-kind fuel charges. For example, El Paso takes 2.74 percent of the gas transported on its system as a fuel charge-in-kind. Therefore, volumes at the city gate are 2.74 percent less than the corresponding volumes into the El Paso system.

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
TWELVE MONTHS ENDING AUGUST 2010

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		63,124,584 \$	5.4837 \$	346,153,962	1
2	Purchases Into Transwestern ^[1]		<u>2,996,234 \$</u>	4.6386 \$	<u>13,898,474</u>	2
3	Total Purchases into El Paso and Transwestern		66,120,818 \$	5.4454 \$	360,052,436	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		61,521,503 \$	0.0276 \$	1,699,782	4
5	Transwestern Transportation Charge		<u>2,926,062 \$</u>	0.0139 \$	<u>40,697</u>	5
6	Before Fixed Charges ^[2]		<u>64,447,565 \$</u>	5.6138 \$	<u>361,792,915</u>	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1			\$	20,037,377	7
8	El Paso Demand Charges - FT1			\$	7,189,666	8
9	El Paso Demand Charges - 1903 FT1			\$	4,496,916	9
10	El Paso Premium Services - FTH3			\$	29,071,108	10
11	El Paso Premium Services - FTH8			\$	1,016,159	11
12	TW Demand Charges - FTS5			\$	6,387,448	12
13	Including Fixed Charges ^[2]		<u>64,447,565 \$</u>	<u>6.6720 \$</u>	<u>429,991,588</u>	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0 \$	0.0000 \$	0	14
15	Before Misc. Credits / Charges		<u>64,447,565 \$</u>	<u>6.6720 \$</u>	<u>429,991,588</u>	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$	(990,111)	16
17	Special Gas Procurement Agreement (SPA) Credits			\$	0	17
18	Other Credits/Charges			\$	507,259	18
19	Out of Period Adjustments			\$	<u>0</u>	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		<u>64,447,565 \$</u>	<u>6.6645 \$</u>	<u>429,508,736</u>	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
September 2009**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		2,498,648 \$	5.4592 \$	13,640,743	1
2	Purchases Into Transwestern ^[1]		1,645 \$	2.8700 \$	4,721	2
3	Total Purchases into El Paso and Transwestern		2,500,293 \$	5.4575 \$	13,645,465	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		2,623,805 \$	0.0254 \$	66,622	4
5	Transwestern Transportation Charge		1,321 \$	0.2401 \$	317	5
6	Before Fixed Charges ^[2]		2,625,126 \$	5.2235 \$	13,712,404	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	214,213		\$ 8.4981 \$	1,820,403	7
8	El Paso Demand Charges - FT1	69,924		\$ 11.8240 \$	826,781	8
9	El Paso Demand Charges - 1903 FT1	60,238		\$ 10.1637 \$	612,243	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740 \$	63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000 \$	0	11
12	TW Demand Charges - FTS5	1,000		\$ 16.5000 \$	16,500	12
13	Including Fixed Charges ^[2]		2,625,126 \$	6.4956 \$	17,051,742	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0 \$	0.0000 \$	0	14
15	Before Misc. Credits / Charges		2,625,126 \$	6.4956 \$	17,051,742	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$ (506,709)		16
17	Special Gas Procurement Agreement (SPA) Credits			\$ 0		17
18	Other Credits/Charges			\$ 60		18
19	Out of Period Adjustments			\$ 0		19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		2,625,126 \$	6.3026 \$	16,545,093	20

[1] Based on November 17, 2009 Market Forwards.
[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
October 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,864,087	\$ 5.4065	\$ 20,891,188	1
2	Purchases Into Transwestern ^[1]		12,341	\$ 4.4298	\$ 54,668	2
3	Total Purchases into El Paso and Transwestern		3,876,428	\$ 5.4034	\$ 20,945,856	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,588,952	\$ 0.0252	\$ 90,339	4
5	Transwestern Transportation Charge		12,576	\$ 0.0511	\$ 643	5
6	Before Fixed Charges ^[2]		3,601,528	\$ 5.8411	\$ 21,036,838	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	215,326		\$ 8.4981	\$ 1,829,862	7
8	El Paso Demand Charges - FT1	88,610		\$ 11.8240	\$ 1,047,725	8
9	El Paso Demand Charges - 1903 FT1	59,072		\$ 10.1637	\$ 600,392	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	TW Demand Charges - FTS5	1,000		\$ 17.0500	\$ 17,050	12
13	Including Fixed Charges ^[2]		3,601,528	\$ 6.8291	\$ 24,595,277	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		3,601,528	\$ 6.8291	\$ 24,595,277	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits				\$ (483,402)	16
17	Special Gas Procurement Agreement (SPA) Credits				\$ 0	17
18	Other Credits/Charges				\$ 7,199	18
19	Out of Period Adjustments				\$ 0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		3,601,528	\$ 6.6969	\$ 24,119,074	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
November 2009

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		5,952,222	\$ 5.7655	\$ 34,317,679	1
2	Purchases Into Transwestern ^[1]		528,511	\$ 4.2297	\$ 2,235,426	2
3	Total Purchases into El Paso and Transwestern		6,480,733	\$ 5.6403	\$ 36,553,105	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		5,799,845	\$ 0.0298	\$ 172,828	4
5	Transwestern Transportation Charge		516,091	\$ 0.0135	\$ 6,952	5
6	Before Fixed Charges ^[2]		6,315,936	\$ 5.8159	\$ 36,732,885	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	64,750		\$ 8.4981	\$ 550,252	7
8	El Paso Demand Charges - Reformed	0		\$ 0.0000	\$ 0	8
9	El Paso Demand Charges - 1903 FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	448,211		\$ 12.7740	\$ 5,725,447	10
11	El Paso Premium Services - FTH8	9,532		\$ 21.3210	\$ 203,232	11
12	TW Demand Charges - FTS5	75,000		\$ 16.5000	\$ 1,237,500	12
13	Including Fixed Charges ^[2]		6,315,936	\$ 7.0376	\$ 44,449,316	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		6,315,936	\$ 7.0376	\$ 44,449,316	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$ 0	\$ 0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$ 0	\$ 0	17
18	Other Credits/Charges			\$ 90,000	\$ 90,000	18
19	Out of Period Adjustments			\$ 0	\$ 0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		6,315,936	\$ 7.0519	\$ 44,539,316	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
December 2009**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		9,816,304 \$	5.4831 \$	53,823,408	1
2	Purchases Into Transwestern ^[1]		413,841 \$	4.5491 \$	1,882,597	2
3	Total Purchases into El Paso and Transwestern		10,230,145 \$	5.4453 \$	55,706,005	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		9,565,007 \$	0.0288 \$	275,520	4
5	Transwestern Transportation Charge		404,116 \$	0.0139 \$	5,600	5
6	Before Fixed Charges ^[2]		9,969,122 \$	5.6161 \$	55,987,125	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	231,446	\$ 8.4981 \$		1,966,851	7
8	El Paso Demand Charges - FT1	0	\$ 0.0000 \$		0	8
9	El Paso Demand Charges - 1903 FT1	0	\$ 0.0000 \$		0	9
10	El Paso Premium Services - FTH3	448,211	\$ 12.7740 \$		5,725,447	10
11	El Paso Premium Services - FTH8	9,532	\$ 21.3210 \$		203,232	11
12	TW Demand Charges - FTS5	75,000	\$ 17.0500 \$		1,278,750	12
13	Including Fixed Charges ^[2]		9,969,122 \$	6.5363 \$	65,161,405	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0 \$	0.0000 \$	0	14
15	Before Misc. Credits / Charges		9,969,122 \$	6.5363 \$	65,161,405	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$ 0	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$ 0	0	17
18	Other Credits/Charges			\$ 108,000	108,000	18
19	Out of Period Adjustments			\$ 0	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		9,969,122 \$	6.5472 \$	65,269,405	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
January 2010

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		9,164,800 \$	5.6280 \$	51,579,465	1
2	Purchases Into Transwestern ^[1]		771,461 \$	4.6828 \$	3,612,562	2
3	Total Purchases into El Paso and Transwestern		9,936,261 \$	5.5546 \$	55,192,028	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		8,930,181 \$	0.0288 \$	257,610	4
5	Transwestern Transportation Charge		753,332 \$	0.0134 \$	10,122	5
6	Before Fixed Charges ^[2]		9,683,513 \$	5.7272 \$	55,459,760	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	266,449	\$ 8.5830 \$		2,286,928	7
8	El Paso Demand Charges - FT1	0	\$ 0.0000 \$		0	8
9	El Paso Demand Charges - 1903 FT1	0	\$ 0.0000 \$		0	9
10	El Paso Premium Services - FTH3	448,211	\$ 12.7740 \$		5,725,447	10
11	El Paso Premium Services - FTH8	9,532	\$ 21.3210 \$		203,232	11
12	TW Demand Charges - FTS5	75,000	\$ 17.0500 \$		1,278,750	12
13	Including Fixed Charges ^[2]		9,683,513 \$	6.7077 \$	64,954,117	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0 \$	0.0000 \$	0	14
15	Before Misc. Credits / Charges		9,683,513 \$	6.7077 \$	64,954,117	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$ 0	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$ 0	0	17
18	Other Credits/Charges			\$ 117,000	117,000	18
19	Out of Period Adjustments			\$ 0	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		9,683,513 \$	6.7198 \$	65,071,117	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
February 2010**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		7,210,980	\$ 5.8258	\$ 42,009,603	1
2	Purchases Into Transwestern ^[1]		619,395	\$ 4.8473	\$ 3,002,375	2
3	Total Purchases into El Paso and Transwestern		7,830,375	\$ 5.7484	\$ 45,011,979	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		7,026,379	\$ 0.0293	\$ 205,902	4
5	Transwestern Transportation Charge		604,839	\$ 0.0135	\$ 8,158	5
6	Before Fixed Charges ^[2]		7,631,218	\$ 5.9265	\$ 45,226,039	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	179,543		\$ 8.5830	\$ 1,541,015	7
8	El Paso Demand Charges - FT1	0		\$ 0.0000	\$ 0	8
9	El Paso Demand Charges - 1903 FT1	0		\$ 0.0000	\$ 0	9
10	El Paso Premium Services - FTH3	448,211		\$ 12.7740	\$ 5,725,447	10
11	El Paso Premium Services - FTH8	9,532		\$ 21.3210	\$ 203,232	11
12	TW Demand Charges - FTS5	75,000		\$ 15.4000	\$ 1,155,000	12
13	Including Fixed Charges ^[2]		7,631,218	\$ 7.0566	\$ 53,850,733	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		7,631,218	\$ 7.0566	\$ 53,850,733	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$	0	17
18	Other Credits/Charges			\$	93,000	18
19	Out of Period Adjustments			\$	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		7,631,218	\$ 7.0688	\$ 53,943,733	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
March 2010**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		6,314,268 \$	6.0477 \$	38,186,896	1
2	Purchases Into Transwestern ^[1]		548,000 \$	4.7895 \$	2,624,646	2
3	Total Purchases into El Paso and Transwestern		6,862,268 \$	5.9472 \$	40,811,542	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		6,152,623 \$	0.0296 \$	182,008	4
5	Transwestern Transportation Charge		535,122 \$	0.0136 \$	7,294	5
6	Before Fixed Charges ^[2]		6,687,745 \$	6.1307 \$	41,000,844	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	121,345		\$ 8.5830 \$	1,041,502	7
8	El Paso Demand Charges - FT1	0		\$ 0.0000 \$	0	8
9	El Paso Demand Charges - 1903 FT1	0		\$ 0.0000 \$	0	9
10	El Paso Premium Services - FTH3	448,211		\$ 12.7740 \$	5,725,447	10
11	El Paso Premium Services - FTH8	9,532		\$ 21.3210 \$	203,232	11
12	TW Demand Charges - FTS5	75,000		\$ 17.0500 \$	1,278,750	12
13	Including Fixed Charges ^[2]		6,687,745 \$	7.3642 \$	49,249,775	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0 \$	0.0000 \$	0	14
15	Before Misc. Credits / Charges		6,687,745 \$	7.3642 \$	49,249,775	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$ 0	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$ 0	0	17
18	Other Credits/Charges			\$ 92,000	92,000	18
19	Out of Period Adjustments			\$ 0	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		6,687,745 \$	7.3779 \$	49,341,775	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
April 2010**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		4,821,928	\$ 4.9367	\$ 23,804,174	1
2	Purchases Into Transwestern ^[1]		64,257	\$ 4.7432	\$ 304,785	2
3	Total Purchases into El Paso and Transwestern		4,886,185	\$ 4.9341	\$ 24,108,959	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		4,698,487	\$ 0.0260	\$ 122,061	4
5	Transwestern Transportation Charge		62,747	\$ 0.0146	\$ 915	5
6	Before Fixed Charges ^[2]		4,761,234	\$ 5.0894	\$ 24,231,935	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	205,940		\$ 8.5830	\$ 1,767,580	7
8	El Paso Demand Charges - FT1	147,352		\$ 11.8240	\$ 1,742,290	8
9	El Paso Demand Charges - 1903 FT1	68,467		\$ 10.1637	\$ 695,881	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	TW Demand Charges - FTS5	2,222		\$ 16.5000	\$ 36,663	12
13	Including Fixed Charges ^[2]		4,761,234	\$ 5.9938	\$ 28,537,759	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		4,761,234	\$ 5.9938	\$ 28,537,759	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$	0	17
18	Other Credits/Charges			\$	0	18
19	Out of Period Adjustments			\$	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		4,761,234	\$ 5.9938	\$ 28,537,759	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
May 2010

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,849,617	\$ 4.9262	\$ 18,963,957	1
2	Purchases Into Transwestern ^[1]		1,639	\$ 3.1600	\$ 5,179	2
3	Total Purchases into El Paso and Transwestern		3,851,256	\$ 4.9254	\$ 18,969,136	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,751,067	\$ 0.0255	\$ 95,619	4
5	Transwestern Transportation Charge		1,600	\$ 0.0523	\$ 84	5
6	Before Fixed Charges ^[2]		3,752,667	\$ 5.0803	\$ 19,064,838	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	204,438		\$ 8.5830	\$ 1,754,688	7
8	El Paso Demand Charges - FT1	128,558		\$ 11.8240	\$ 1,520,070	8
9	El Paso Demand Charges - 1903 FT1	69,460		\$ 10.1637	\$ 705,973	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	TW Demand Charges - FTS5	2,222		\$ 17.0500	\$ 37,885	12
13	Including Fixed Charges ^[2]		3,752,667	\$ 6.1681	\$ 23,146,865	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		3,752,667	\$ 6.1681	\$ 23,146,865	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$	0	17
18	Other Credits/Charges			\$	0	18
19	Out of Period Adjustments			\$	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		3,752,667	\$ 6.1681	\$ 23,146,865	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
June 2010**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,337,032 \$	5.0213 \$	16,756,311	1
2	Purchases Into Transwestern ^[1]		1,442 \$	2.8800 \$	4,153	2
3	Total Purchases into El Paso and Transwestern		3,338,474 \$	5.0204 \$	16,760,464	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,251,604 \$	0.0247 \$	80,271	4
5	Transwestern Transportation Charge		1,408 \$	0.0523 \$	74	5
6	Before Fixed Charges ^[2]		3,253,012 \$	5.1770 \$	16,840,808	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	211,784	\$ 8.5830 \$	1,817,739		7
8	El Paso Demand Charges - FT1	63,304	\$ 11.8240 \$	748,506		8
9	El Paso Demand Charges - 1903 FT1	62,709	\$ 10.1637 \$	637,358		9
10	El Paso Premium Services - FTH3	4,964	\$ 12.7740 \$	63,410		10
11	El Paso Premium Services - FTH8	0	\$ 0.0000 \$	0		11
12	TW Demand Charges - FTS5	1,000	\$ 16.5000 \$	16,500		12
13	Including Fixed Charges ^[2]		3,253,012 \$	6.1864 \$	20,124,322	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0 \$	0.0000 \$	0	14
15	Before Misc. Credits / Charges		3,253,012 \$	6.1864 \$	20,124,322	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$ 0		16
17	Special Gas Procurement Agreement (SPA) Credits			\$ 0		17
18	Other Credits/Charges			\$ 0		18
19	Out of Period Adjustments			\$ 0		19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		3,253,012 \$	6.1864 \$	20,124,322	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
July 2010**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,166,616	\$ 5.0590	\$ 16,019,863	1
2	Purchases Into Transwestern ^[1]		1,365	\$ 3.1360	\$ 4,281	2
3	Total Purchases into El Paso and Transwestern		3,167,981	\$ 5.0582	\$ 16,024,144	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,085,551	\$ 0.0244	\$ 75,366	4
5	Transwestern Transportation Charge		1,333	\$ 0.0523	\$ 70	5
6	Before Fixed Charges ^[2]		3,086,884	\$ 5.2155	\$ 16,099,580	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	213,238		\$ 8.5830	\$ 1,830,218	7
8	El Paso Demand Charges - FT1	55,149		\$ 11.8240	\$ 652,082	8
9	El Paso Demand Charges - 1903 FT1	61,258		\$ 10.1637	\$ 622,610	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	TW Demand Charges - FTS5	1,000		\$ 17.0500	\$ 17,050	12
13	Including Fixed Charges ^[2]		3,086,884	\$ 6.2474	\$ 19,284,951	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		3,086,884	\$ 6.2474	\$ 19,284,951	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$	0	17
18	Other Credits/Charges			\$	0	18
19	Out of Period Adjustments			\$	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		3,086,884	\$ 6.2474	\$ 19,284,951	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

**SOUTHWEST GAS CORPORATION
ARIZONA
ESTIMATED GAS PURCHASES
August 2010**

Line No.	Description (a)	Billing Det/CD Dth/Day	Volume Dth (b)	Average Cost/ Unit (c)	Amount (d)	Line No.
<u>Gas Purchases Into El Paso and Transwestern</u>						
1	Purchases Into El Paso ^[1]		3,128,082	\$ 5.1663	\$ 16,160,674	1
2	Purchases Into Transwestern ^[1]		32,337	\$ 5.0432	\$ 163,081	2
3	Total Purchases Into El Paso and Transwestern		3,160,419	\$ 5.1651	\$ 16,323,754	3
<u>Pipeline Variable Charges @ the City Gate</u>						
4	El Paso Volumetric Transportation Charge		3,048,003	\$ 0.0248	\$ 75,636	4
5	Transwestern Transportation Charge		31,577	\$ 0.0148	\$ 468	5
6	Before Fixed Charges^[2]		3,079,580	\$ 5.3254	\$ 16,399,859	6
<u>Pipeline Fixed Charges at the City Gate</u>						
7	El Paso Demand Charges - Article 11.2a FT1	213,252		\$ 8.5830	\$ 1,830,339	7
8	El Paso Demand Charges - FT1	55,160		\$ 11.8240	\$ 652,212	8
9	El Paso Demand Charges - 1903 FT1	61,243		\$ 10.1637	\$ 622,458	9
10	El Paso Premium Services - FTH3	4,964		\$ 12.7740	\$ 63,410	10
11	El Paso Premium Services - FTH8	0		\$ 0.0000	\$ 0	11
12	TW Demand Charges - FTS5	1,000		\$ 17.0500	\$ 17,050	12
13	Including Fixed Charges^[2]		3,079,580	\$ 6.3597	\$ 19,585,327	13
<u>Gas Purchases @ the City Gate (Bundled)</u>						
14	Off of El Paso		0	\$ 0.0000	\$ 0	14
15	Before Misc. Credits / Charges		3,079,580	\$ 6.3597	\$ 19,585,327	15
<u>Miscellaneous Charges and/or Credits</u>						
16	El Paso Capacity Release Credits			\$	0	16
17	Special Gas Procurement Agreement (SPA) Credits			\$	0	17
18	Other Credits/Charges			\$	0	18
19	Out of Period Adjustments			\$	0	19
20	Total Gas Costs @ the City Gate Credits / Charges but before Out of Period Adjustments		3,079,580	\$ 6.3597	\$ 19,585,327	20

[1] Based on November 17, 2009 Market Forwards.

[2] Volume Total is not cumulative. Volumes are adjusted for fuel in lines 4 and 5.

TAB E

GLOSSARY OF TERMS

Accepted – Accepted date is the date terms were mutually agreed upon for converting a supply bid into an actual purchase arrangement, usually verbally, as subsequently documented in a confirmation letter.

Authorized – Approval by an officer or the selection committee acting within the latitude delegated by an officer to negotiate and ultimately accept an offer.

Absolute Range – Daily published absolute high and absolute low prices reported by *Gas Daily* for a Delivery/Receipt point.

APSP – Arizona Price Stability Program; Southwest's program to identify and secure firm, fixed-price contracts that will contribute to the price stability of the supply portfolio.

Baseload – Supply arrangement that specifies Seller is to provide and Buyer is to take specific volumes of gas at specific prices.

Bundled Supply – Gas supply and interstate capacity/transportation packaged into one sales agreement (purchase of gas at the city gate).

City Gate Volumes – Refers to gas volumes at the interconnect point between the local distribution company (LDC) and interstate pipeline.

City Gate Demand – Total adjusted sales, plus Company Use and Lost and Unaccounted for Gas demand.

Contract Minimum Quantity (CMQ) – Minimum daily contract quantity that El Paso is obligated to deliver to a meter.

Common Range – Daily published common high and common low prices reported by *Gas Daily* for a Delivery/Receipt point. A formula that establishes the common range at 50 percent of the absolute range and builds the range around the volume-weighted average price (the midpoint).

Conditional Peakers (PC) – Supply purchase contracts under which swing volume can be nominated only after certain predetermined conditions are met.

D-Code – An aggregation of meters as designated in an executed Operating and Service Agreement between Transporter and DP Operator or a single meter. A D-Code is also considered a delivery point.

Demand Charge – A charge per dekatherm paid to a supplier to reserve the right to call upon a specific quantity of gas on a daily basis.

GLOSSARY OF TERMS

(Continued)

Design Day – The highest forecast demand day in an extreme weather demand forecast for a 12-month period.

El Paso – El Paso Natural Gas Company.

FERC – Federal Energy Regulatory Commission.

Financial Derivative – A financial instrument, the value of which is determined from the value or values of one or more underlying physical commodities or financial instruments.

Firm Contract – A gas purchase agreement that states the agreed upon price and volumes and sets forth specified receipt and delivery obligations, typically including economic consequences (or damages) for failing to meet such obligations.

Fixed-for-Floating Index Swap – A financial derivative where parties exchange a fixed-price for a future first of the month price yet to be determined.

Forward Price (Forwards) – Market price specified now for the delivery of gas in a future month.

Gas Inventory Charge (GIC) – A charge per dekatherm paid to seller for LDC's failure to nominate a specified minimum volume under a firm contract.

GTS – Southwest's Gas Transaction System.

Hub Service – Service provided such as gas parking and lending, typically short term.

IFERC – *Inside F.E.R.C. Gas Market Report* publication.

Interruptible Contract – A gas purchase agreement that states the agreed upon price and general intent of the parties with respect to volumes, receipt, and delivery, but with no specified economic consequences (or damages) for failure to deliver or purchase.

Least Cost Dispatch – A daily process by which gas supplies are selected to meet demands on the basis of the lowest incremental cost.

Limited Peaker (PL) – A peaking supply with limited availability. The limitation generally is based on the supply being available a specified number of days during the period.

GLOSSARY OF TERMS

(Continued)

Mainline Purchases – Purchases of gas where the ownership transfer occurs at a mainline receipt point; therefore, purchaser is responsible for fuel and transportation.

Mainline Receipt Point (MRP) – A point of interconnection between an interstate pipeline's mainline transmission system and upstream source of supply.

MDO (Maximum Daily Obligation) – Maximum daily quantity that El Paso is obligated to deliver to a meter as specified in Rate Schedule OPAS.

MHO (Maximum Hourly Obligation) – Maximum hourly quantity that El Paso is obligated to deliver to a meter as specified in Rate Schedule OPAS.

Midpoint – Daily published volume-weighted average price reported by *Gas Daily* for a Delivery/Receipt point.

Model – A computer program, such as Uplan-G, used to select the lowest cost mix of supply, storage and transportation contracts to meet specified demand requirements, assuming a specific set of purchase and transportation alternatives for a given period of time. Such a computer program is capable of and may also be used to determine the cost of an existing portfolio based on inputted demands and transportation alternatives for a given period of time. A contract is considered to have been modeled if its characteristics were specifically input or a surrogate contract of the same type, term and lower cost has been input in a model run used for contract selection.

NAESB – North American Energy Standards Board (formerly GISB, Gas Industry Standards Board).

NGI – *Natural Gas Intelligence* publication.

NGW – *Natural Gas Week* publication.

Normal Weather Demand Forecast – Forecast of demands based upon normal weather conditions.

NYMEX – New York Mercantile Exchange.

GLOSSARY OF TERMS

(Continued)

Operating and Service Agreement (OPASA) – For natural gas scheduling purposes, an OPASA allows a shipper to aggregate multiple El Paso metering points within a D-Code and schedule supply to the D-Code, as opposed to scheduling supply to each individual metering point within the D-Code. This agreement also depicts monthly MDOs and MHOs for every metering point that is part of an OPASA.

Parcel – An identifiable quantity of gas purchased under a spot or firm contract arrangement.

Peak Day – Highest demand day during a specific time period.

Peakers/Peaking Supply (P) – A form of “swing supply” that typically does not require a minimum purchase quantity.

PER – Model code for receipt point pools for the Permian Basin.

Purchase Volume – Quantity of gas purchased from a source (supplier) with specific terms designated in contract exhibit.

Purchase Cost – Amount paid to supplier (source) for purchased volume delivered per terms of designated contract exhibit.

Selected – Status attributed to supply alternative when it is chosen by a cost optimization model run.

Shrinkage – Fuel consumed in the transportation process.

SJ – Model code for San Juan receipt point pools other than Bondad (Bondad would be separately identified).

Swing Supply – Gas purchased under provisions that allow flexibility regarding the quantity purchased from day to day.

Take-or-Pay (T/P) – Obligates Seller to provide and Buyer to take and pay for specific volumes of gas over a specified time.

Total Adjusted Sales – Cycle-billed Sales adjusted to production month. Does not include Company Use and Lost and Unaccounted for Gas (i.e., burnertip).

Total Supply Cost – Total cost of purchasing and delivering gas to the city gate.

GLOSSARY OF TERMS

(Continued)

Transportation Charges – Fixed and variable charges billed by an interstate pipeline company for the transport of gas and may also include storage-related charges.

Transwestern – Transwestern Pipeline Company.

Variable Supply Cost – Cost of gas delivered to the city gate, excluding pipeline and storage fixed charges.