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BEFORE THE ARIZONA CORPORATION COMMISSION

2011 JUL 29 12:56

Arizona Corporation Commission

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JUL 29 2011

COMMISSIONERS

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IN THE MATTER OF THE APPLICATION OF
SOUTHWEST GAS CORPORATION FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE
OF ITS PROPERTIES THROUGHOUT
ARIZONA

DOCKET NO. G-01551A-10-0458

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT

CYNTHIA ZWICK

July 28, 2011

1 Q.1. Please state your name for the record.

2 A.1. Cynthia Zwick

3 Q.2. Have you previously filed testimony in this case?

4 A.2. Yes. I filed direct testimony on June 10, 2011.

5 Q.3. What is the purpose of this additional testimony?

6 A.3. My testimony at this time is intended to articulate my support for the Settlement
7 Agreement filed in this case.
8

9 Settlement discussions began in this case on June 28, 2011, with all parties
10 receiving notice and an opportunity to participate. I was able to fully participate in this
11 meeting in order to share my position and concerns about the case as originally filed.
12

13 Arizonans throughout the Southwest Gas (the Company) service territory continue
14 to struggle to find jobs, to maintain their homes, to feed their families, in short to simply
15 make ends meet, and maintain utility service. The parties signing the Settlement
16 Agreement in this case have agreed that circumstances are such that in order to maintain
17 the economic viability of the Company, ensure that low and formerly middle income
18 families realize reasonable rates, are subject to fair practices and procedures, and have
19 additional support available order to ensure consistent and continued gas service. These
20 parties have entered into the agreement that is before the Commission.
21

22 The provisions in this case related to low-income customers that all settling parties
23 have agreed to support the following provisions:
24

- 25 ● Southwest Gas will enhance and increase the funding level of the Low
26 Income Energy Conservation (“LIEC”) weatherization program by
27

28

1 committing to make non-ratepayer funded contributions to the LIEC
2 weatherization program each year for the next 5 years. The commitment
3 shall result in a total contribution of at least \$1 million;

- 4 • The demand-side management adjustor rate for the low-income
5 residential rate schedules will not be increased above the rate currently
6 collected, which is \$0.00200 per therm;
- 7 • The Customer Owned Yard Line cost recovery mechanism (“CCRM”) will
8 consist of a per therm charge, and the CCRM will not apply to the low-
9 income rate schedules;
- 10 • The proposed increase to the low-income residential rate schedules shall
11 be mitigated by increasing the Low-Income Rate Assistance discount to 30
12 percent, from the current 20 percent for the first 150 therms in the winter
13 months (November –April). This will result in an average monthly bill
14 increase of either \$0.70 (Alternative A) or \$0.59 (Alternative B)
15 depending upon the alternative selected by the Commission;
- 16 • Southwest Gas staff will meet with the Parties to the Docket within 45
17 days of the effective date of any order approving this Agreement to
18 develop a plan to enhance customer education and outreach for its LIEC
19 weatherization program.
20
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24 My Direct Testimony did not address the central issue in this case, that of
25 Decoupling, nor was I able to participate in the discussions related to this issue.
26 Therefore I am not supporting one or the other Alternatives presented in this case. I
27
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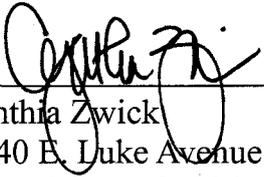
1 respect the expertise of all the Parties and the Commission and know that the best
2 solution for Southwest Gas customers and the Company will be reached.

3 I offer my full support to the agreements reached with respect to the Low-Income
4 issues listed above and thank the Parties to this Settlement for their considered position
5 and urge the support of the Commission as well.
6

7 Q.4. Does this conclude your testimony?

8 A.4. Yes, it does.

9
10 RESPECTFULLY SUBMITTED this 29th day of July, 2011.

11
12 By 
13 Cynthia Zwick
14 1940 E. Luke Avenue
Phoenix, AZ 85016

15 ORIGINAL and thirteen (13) COPIES of the
16 Foregoing were filed with docket control this 29th
day of July, 2011.

17 COPIES of the foregoing were emailed this
18 29th day of July, 2011 to:

19
20 Robin Mitchell
ACC Staff

21
22 Justin Brown
SW Gas Corporation

23
24 Daniel Pozefsky
RUCO

25
26 Tim Hogan
Center for Law in the Public Interest

27
28

- 1 Jeff Schlegl
SWEEP
- 2
- 3 Michael Patten
Roshka, DeWulf and Patten, PLC
- 4
- 5 Philip Dion
Tucson Electric Power
- 6
- 7 Michael Grant
Arizona Investment Council
- 8
- 9 Gary Yaquinto
Arizona Investment Council
- 10
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