

G-01551A-10-0458

ORIGINAL



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ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: AUG 19 A 9:58

Fax:

Priority: Respond Within Five Days

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Opinion No. 2011 97682

Date: 8/8/2011

Complaint Description: 08G Consolidation - Opposed
N/A Not Applicable

Complaint By: First: William Last: Homewood

Account Name: William Homewood Home:

Street: Work:

City: Surprise CBR:

State: AZ Zip: 85387 is:

Utility Company: Southwest Gas Corporation

Division: Gas

Contact Name: Contact Phone:

Nature of Complaint:

8/8 DOCKET NO. G 01551A 10 0458 OPPOSED DECOUPLING

July29, 2011
Arizona Corporate Commission
Consumer Services Section
1200 W Washington Street
Phoenix, AZ 85007
Re: Southwest Gas Corporation
Docket # G-01 551 A-i 0-0458
Rate Increase and Decoupling
Commissioners,

Arizona Corporation Commission
DOCKETED

AUG 19 2011

DOCKETED BY

I would like to ask for your consideration in the mailer of the proposed rate increase and decoupling. I understand a rate increase, but 15.5% seems a little excessive and out of line. The economy is such that any increase is going to be hard to swallow. There has been no increase in Social Security, Veterans Benefits, etc. giving a lot of people reason to squirm a bit. Coupled with the activity in Washington DC, and the general state of the economy, is now a good time for such a large increase in gas rates? Decoupling: I admit I do not know the gas business, but whoever dreamed up this "provision" is to be commended as absolutely genius, borderline lunatic. I believe it would be hard to find "decoupling" as one of the "generally accepted accounting principles". I had my own business, and could have used that "provision"- Set a budget, and if not made, go back and get the balance of estimated revenue from all my customers because they did not use a specific product. Most people today are living in austerity and conservation mood - why is it incumbent upon me to support the Board of Directors and CEO's lifestyle of Southwest Gas? Please allow me to inject some notes from the Chairman of the Board and CEO of Southwest Gas 2010 annual report: A notable improvement in operating results and strong stock price performance combined for a very favorable 2010. We are pleased to report 2010 earnings of \$2.29 per share, a marked increase over the \$1.95 per share achieved in 2009. And for the fifth straight year, the Board of Directors recently approved an increase in the

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annualized dividend 017 common stock. from \$1.00 per share to \$1.06 per share.”

“Despite a continuing downturn in the new construction housing market, The Company set 16,000 new meters and realized 13,000 net new customers during 2010.”

As a result of improved earnings and cash flows, the Company’s financial position continued to gain strength.”

In December 2010, legislation was passed which allows companies to take tax depreciation deductions for newly placed in service property on an accelerated basis (100% in 2011 and 50% in 2012). In a capital

intensive business like ours, this is a significant benefit, and management intends to use this opportunity to accelerate a number of projects which will increase system operational flexibility with minimal capital outlay.”

These are just a few snippets, and understand there is more to business. However, a ‘small’ rate increase may be tolerable, but not 10 - 15%.

“DECOUPLING” is totally unacceptable!

Please review their request in detail.

Thank you

William C Homewood

Surprise, AZ 85381

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

DOCKETED

End of Comments

Date Completed: 8/8/2011

Opinion No. 2011 - 97682
