

ORIGINAL

OPEN MEETING AGENDA ITEM

Southwest Gas G-01551A-10-0458



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AZ CORP COMMISSION
DOCKET CONTROL

February 6, 2012

Chairman Gary Pierce
Commissioner Brenda Burns
Commissioner Sandra Kennedy
Commissioner Paul Newman
Commissioner Bob Stump
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

FEB - 9 2012

DOCKETED BY

Re: Southwest Gas Corporation
Docket No. G-01551A-10-0458

Dear Chairman Pierce & Commissioners,

The Recreational Centers of Sun City ("RCSC") would like to express our support for rehearing decision number 72723 decided December 13, 2011 and docketed January 6, 2012.

In this decision the Arizona Corporation Commission ("Commission") implemented full revenue decoupling. As you know, we were opposed to the implementation of full revenue decoupling as it was proposed in the case because we felt that that it was a risky way to implement a new regulatory policy. We also believe that the implementation would result in little to no benefit for the customer while guaranteeing a rate of return for Southwest Gas Corporation without the obligation on the company to manage its costs.

In light of the new information brought forth in the pending APS Settlement Agreement we believe the Commission should re-address the issue of decoupling to consider a "Lost Fixed Cost Recovery" mechanism. We support this mechanism in the APS Settlement Agreement, as testified to during public comment, along with the 22 signatories of the APS settlement agreement.

We respectfully ask that you support the Residential Utility Consumers Office request for rehearing of decision number 72723.

Sincerely,

Jan M. Ek, CMCA, AMS, PCAM, CPFM
General Manager