

ORIGINAL

PIERCE PROPOSED AMENDMENT # 1

RECEIVED

DATE PREPARED: April 23, 2012



0000136055

COMPANY: Southwest Gas Corporation

DOCKET NO: G-01551A-11-0344

OPEN MEETING DATES: April 24 and 25, 2012

AGENDA ITEM: U-17

Page 18, Line 1

INSERT new paragraphs:

“On April 23, 2012, RUCO filed comments opposing Southwest’s request to increase its EE budget to \$16.5 million, a 300% increase over its currently approved EE budget of \$4.7 million. RUCO states that Southwest’s EE budget has increased from \$1.4 million in 2010, to \$2.8 million in 2011, to \$4.7 million in 2012. At the same time, RUCO indicates that Southwest’s per customer consumption has decreased on average 1.93% a year for the past 24 years. RUCO asserts that this decline in per customer consumption has occurred for reasons outside of Commission efforts to pursue additional EE. In light of the foregoing, RUCO recommends authorizing a \$4.7 million EE budget for Southwest in 2012 instead of increasing it to \$13.2 million as proposed by Staff.

“We believe there is wisdom in RUCO’s recommendation. In light of the fact that Southwest’s annual expenditures in EE has increased more than 200% in the past two years, we believe the prudent thing to do is to evaluate the impact the current spending levels are having on increasing EE and further reducing an already declining usage per customer.

“Accordingly, we will approve a \$4.7 million 2012 EE budget for Southwest. We will also maintain the existing DSM Surcharge of \$0.00200 per therm in light of the approximately \$1.3 million over-collection in Southwest’s DSM balance. Moreover, to further ensure that expenditures under Southwest’s EE and RET Plan result in ratepayer savings, we will not approve funds collected through the DSM Surcharge to be expended on any measure that has not been evaluated by Staff for cost effectiveness or that has failed to score higher than 1.0 on its benefit to cost ratio.”

Page 18, Line 11

After “approved” INSERT “with a budget of \$4.7 million and DSM Surcharge of \$0.00200”

Page 18, Line 12

INSERT new Ordering Paragraph as follows:

“IT IS FURTHER ORDERED that Southwest will not expend any funds collected through its DSM Surcharge on any measure that has not been evaluated by Staff for cost effectiveness or that has failed to score higher than 1.0 on its benefit to cost ratio.”

Page 19, Line 1

DELETE Ordering Paragraph.

Conforming changes.

Arizona Corporation Commission
DOCKETED

APR 24 2012

THIS AMENDMENT:		DOCKETED BY	M/A
_____ Passed _____	Passed as amended by _____	_____	
_____ Failed _____	Not Offered _____	Withdrawn _____	