January 2, 2001

TO ALL HOLDERS OF SOUTHWEST GAS CORPORATION'S ARIZONA GAS TARIFF NO. 7

Subject: Revision No. 040

The attached tariff sheets reflect the authorization granted by the Arizona Corporation Commission for Southwest to implement monthly gas cost rates for its customers in Arizona. Such sheets reflect revised rates effective December 29, 2000, the first billing cycle for the month of January 2001.

The following changes should be made in your copy of Southwest's Arizona Gas Tariff:

Insert A.C.C. Sheet No. Supersedes A.C.C. Sheet No.

Twentieth Revised 12

Twenty-second Revised 11 Twenty-first Revised 11 Nineteenth Revised 12

Jessie M. de los Santos Supervisor, Regulatory Administration

Attachment