

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 10, 2007

Advice Letter: 777

Mr. Roger C. Montgomery, V. P.
Pricing and Tariffs
Southwest Gas Corporation
P O Box 98510
Las Vegas, NV 89193-8510

Reference: To Notify the Commission Regarding the Formation of a New Affiliate Pursuant to Rule VI.B of the Affiliate Transaction Rules

Dear Mr. Montgomery:

Advice Letter 777 is effective May 13, 2007. A copy of the advice letter is returned herewith for your files.

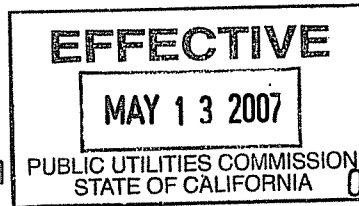
Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



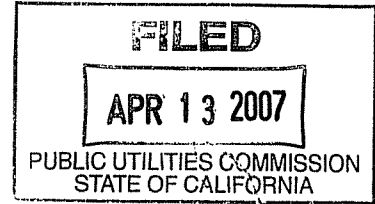
SOUTHWEST GAS CORPORATION



RECEIVED
ENERGY DIVISION

07 APR 17 AM 8:34

Roger C. Montgomery, Vice President/Pricing



April 13, 2007

California Public Utilities Commission
Energy Division
Attention: Sean Gallagher, Director
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 777

Dear Mr. Gallagher:

Enclosed herewith are an original and six (6) copies of Southwest Gas Corporation's Advice Letter No. 777. There are no tariff sheets associated with this filing.

Sincerely,

Roger C. Montgomery

RCM:vo
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 777

April 13, 2007

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest) herewith submits Advice Letter No. 777 to notify the California Public Utilities Commission (Commission) of the creation of a new affiliate as defined in the Commission's Affiliate Transaction Rules (Rules). There are no tariff sheets associated with this filing.

In accordance with the Commission Decision No. (D.) 97-12-088, in OIR 97-04-011/OII 97-04-012, Appendix A. Rule VI.B, as modified by D.98-08-035, Southwest is required to notify the Commission of the creation of any new affiliate addressed by these Rules. Accordingly, Southwest is hereby notifying the Commission of the creation of a new affiliate, Specialty Services, Inc. (Specialty) as shown on Attachment A. Specialty will become a formal entity upon the approval of its corporate structure, which expected to occur at Southwest's next Board of Directors meeting on May 3, 2007.

There are no unusual or unique circumstances which exist that would require affiliate transaction rule measures beyond those already identified by Southwest in its California Affiliate Transaction Rules Compliance Plan (Plan). Therefore, Southwest will apply the provisions of its Plan to any and all transactions between the utility and the new affiliate.

This filing will not increase any rate or charges for any class of customers, cause the withdrawal of service, or conflict with any other rate schedules or rules.

Southwest believes that this filing is subject to Energy Division disposition and therefore respectfully requests that it become effective May 13, 2007, which is thirty (30) calendar days from the date filed.

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the filing. The protest should set forth the grounds upon which it is based and should be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

Investigation, Monitoring & Compliance Program Manager
California Public Utilities Commission, Energy Division
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: 415-703-2200

Copies should also be mailed to the attention of Director, Energy Division, Room 4004 at the same address as above, and mailed and faxed to:

Advice Letter No. 777
Page 2
April 13, 2007



Mr. John P. Hester, Senior Vice President
Regulatory Affairs and Energy Resources
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Facsimile: 702-876-7037

In accordance with General Order 96-A, Section III, Paragraph G, Southwest is mailing copies of this advice letter and related tariff sheets to the utilities and interested parties shown on the attached list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By *Roger C. Montgomery*
Roger C. Montgomery

DISTRIBUTION LIST

Advice Letter No. 777

In conformance with G.O. 96-A, III-G

Southern California Edison Company

Pacific Gas & Electric Company

Sierra Pacific Power Company

San Diego Gas & Electric Company

Southern California Gas Company

Director/Division of Ratepayer Advocates

**SOUTHWEST GAS CORPORATION
ATTACHMENT A
NOTIFICATION OF THE CREATION OF A NEW AFFILIATES**

Name	Headquarters Business Address	Primary Officers	Business Activity	Affiliate Transaction Rules Status
Specialty Services, Inc.	1 West Deer Valley Road, Suite 101 Phoenix, AZ 85027	TBD	Wholly owned subsidiary of Northern Pipeline. Formed to provide high-pressure natural gas pipeline welding services.	Rule II.B. Affiliate Subject to Rules

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905 G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: **Roger C. Montgomery**

Phone #: **(702)876-7321**

E-mail: **roger.montgomery@swgas.com**

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **777**

Subject of AL: **To notify the Commission regarding the formation of a new affiliate pursuant to Rule VI.B of the Affiliate Transaction Rules**

Keywords (choose from CPUC listing): **Affiliate**

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL **Not applicable**

Summarize differences between the AL and the prior withdrawn or rejected AL¹: **Not applicable**

Resolution Required? Yes No

Requested effective date: **May 13, 2007**

No. of tariff sheets: **None**

Estimated system annual revenue effect (%): **Not applicable**

Estimated system average rate effect (%): **Not applicable**

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **Not applicable**

Service affected and changes proposed¹: **See 'Subject of AL' above**

Pending advice letters that revise the same tariff sheets: **Not applicable**

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Utility Info (including e-mail)
Mr. John P. Hester, Sr. Vice-Pres.
Reg. Affairs & Energy Resources
Southwest Gas Corporation
P. O. Box 98510
Las Vegas, NV 89193-8510
john.hester@swgas.com
Facsimile: 702-876-7037**

¹ Discuss in AL if more space is needed.

CALIFORNIA ADVICE LETTER DISTRIBUTIONAdvice Letter No. 777Date Mailed 4/13/07**Las Vegas**

J. Hester/ W. Moody	LVB-227
M. Anderson	LVB-521
C. Berger	LVB-100
A. Bettwy	LVB-110
J. Cattnach	LVB-185
R. Centrella	LVC-270
R. Clayton	LVA-300
L. Colvin	LVC-420
T. Day	LVB-100
B. DeLong	LVB-100
E. Giesecking	LVB-100
L. Harris	LVB-370
L. Hoffman	LVC-435
D. Jacobson	LVB-105
E. Janov	LVB-266
B. Johnson	LVA-120
R. Jordan	LVB-185
J. Kane	LVB-230
R. Kantor	LVC-435
M. Kirk	LVC-420
R. Mashas	LVB-180
R. Montgomery	LVB-101
V. Ontiveroz	LVB-105
J. J. Prucnal	LVB-105
J. Ramirez	LVB-106
L. Ramirez	LVB-105
L. Rich	LVB-420
R. Sable	LVB-105
T. Sheets	LVB-241
J. Stein	LVB-106
A. Timperley	LVC-330
E. Trombley	LVB-106
L. Wamble	LVC-420
D. Zalewski	LVC-420
L. Duarte (Log Copy)	LVB-105

Victorville (So. Cal.)

L. Frisby (5)	12A-003
P. Hamer	120-295
IGE/Sales (So. Cal. <u>Rate</u> Filing only)	120-170
J. Rowell	12A-002

Carson City (No. Cal.)

J. R. Cruz	24A-170
C. Christian	24A-002
J. Maples	24A-295

Truckee (No. Cal.)

Truckee	15A-003
Sales	15A-003

Bullhead* (So. Cal.)

F. Hart	34A-002
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* Needles reports to Bullhead

(For posting at offices -
use POSTING COPY stamp)

California Public Utilities Commission
Energy Division
Attention: Jerry Royer
505 Van Ness Avenue, 4th Floor Francisco,
CA 94102

Original plus 6, plus SWG (7 copies)

Attach a note to SWG's copy with the request:
"Please stamp the attached copy and return to
us in the self-addressed stamped envelope
provided."

Address on SASE envelope:

(Your name)
State Regulatory Affairs, LVB-105
Southwest Gas Corporation
5241 Spring Mountain Road
PO Box 98510
Las Vegas, NV 89193-8510

California Advice Filings
Sheet 2 of 2

R. Thomas Beach
2560 Ninth Street, Suite 316
Berkeley, CA 94710

Gretchen DiAlto, Tariff Administration
Regulatory Affairs
Sempra Energy
555 West 5th Street, M.L. 14D6
Los Angeles, CA 90013-1011

Lee Schavrien, Manager
Regulatory Affairs, Room 10A
San Diego Gas & Electric Company
PO Box 1831
San Diego, CA 92112

Bruce Folsom
Manager, Regulatory Compliance
1411 East Mission, MSC-29
PO Box 3727
Spokane, WA 99220-3727

Pat Franklin
Sierra Pacific Power Company
PO Box 10100
Reno, NV 89520-0026

Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue, Room 4202
San Francisco, CA 94102

John Clarke
Pacific Gas & Electric Company
77 Beale Street, Room 1001
San Francisco, CA 94177

James McTarnaghan, Partner
Duane Morris LLP
One Market, Spear Tower, Suite 2000
San Francisco, CA 94105-1104

SOUTHERN CALIFORNIA - RATES Only
Ronald Moore
Regulatory Affairs
Southern California Water Company
630 East Foothill Boulevard
San Dimas, CA 91773