

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 29, 2007

Advice Letter: 778

Roger C. Montgomery
Vice President/Pricing
State Regulatory Affairs
Southwest Gas Corporation
P O Box 98510
Las Vegas, NV 89193-8510

Subject: To Update Procurement Charges Applicable to Schedule No. GCP for Core Customers and the Transportation Franchise Fee (TFF) Surcharges Applicable to Core and NonCore Customers in the Southern and Northern California Divisions and the Gas Cost Procurement in the South Lake Tahoe District

Dear Mr. Montgomery:

Advice Letter 778 is effective May 7, 2007. A copy of the advice letter is returned herewith for your records.

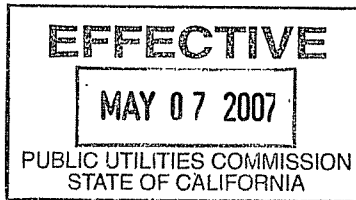
Sincerely,

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

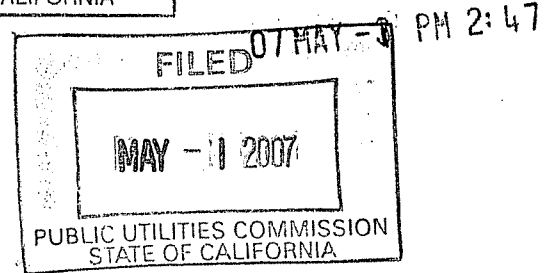
Sean H. Gallagher, Director
Energy Division



SOUTHWEST GAS CORPORATION



RECEIVED
ENERGY DIVISION



Roger C. Montgomery, Vice President/Pricing

May 1, 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. 778

Dear Mr. Gallagher:

Enclosed herewith are six (6) copies of Southwest Gas Corporation's Advice Letter No. 778, together with: 1) California Gas Tariff Sheet Nos. 6458-G through 6466-G and 2) California - South Lake Tahoe Gas Tariff Sheet Nos. 25 and 26.

Sincerely,

Roger C. Montgomery

RCM:tl
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 778

May 1, 2007

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest) (U 905 G) tenders herewith for filing the following tariff sheets.

California Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
6458-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6449-G
6459-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules (<i>Continued</i>)	6450-G
6460-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules (<i>Continued</i>)	6451-G
6461-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6452-G
6462-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules (<i>Continued</i>)	6453-G
6463-G	Schedule No. GCP – Gas Procurement For Core Customers	6454-G
6464-G	Table of Contents (<i>Continued</i>)	6455-G
6465-G	Table of Contents (<i>Continued</i>)	6456-G
6466-G	Table of Contents	6457-G

California – South Lake Tahoe Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Twenty-Sixth Revised Sheet No. 25	Statement of Rates – South Lake Tahoe District	Twenty-Fifth Revised Sheet No. 25



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California – South Lake Tahoe Gas Tariff (Continued)

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
Twenty-Sixth Revised Sheet No. 26	Statement of Rates – South Lake Tahoe District	Twenty-Fifth Revised Sheet No. 26

The purpose of this routine monthly filing is to revise the above listed tariff sheets by updating the: procurement charges applicable to Schedule No. GCP, Gas Procurement for Core Customers, in compliance with the Commission's letter dated October 20, 2000, approving Southwest's Advice Letter No. 619; and the Transportation Franchise Fee (TFF) Surcharge applicable to core and noncore customers who secure their own sources of supply, pursuant to Public Utilities Code, Sections 6350 to 6354, *et seq.*

In its approval of Advice Letter No. 626, the Commission authorized Southwest to make its monthly gas cost adjustment effective between the first and seventh calendar day of each month.

For core sales customers, the May 7, 2007 cost of gas, including adjustment for franchises and uncollectibles, is \$0.71951 therm for Southwest's Southern California Division and \$0.56259 therm for Southwest's Northern California Division and South Lake Tahoe District.

For Southwest's Southern California Division, the TFF Surcharge rate is \$0.00925 per therm. For Southwest's Northern California Division and South Lake Tahoe District, the TFF Surcharge rate is \$0.00837 per therm.

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:

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



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May 1, 2007

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

Attachments

DISTRIBUTION LIST

Advice Letter No. 778

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

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1][2]

Schedule No. and Type of Charge	Southwest Margin	Upstream Intrastate Charges		Intestate Reservation Charge	Balancing Account Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Storage	Variable		CFCAM [3] NFCAM	ITCAM		CPUC	PPP [4]		
GS-10 — Residential Gas Service											
Basic Service Charge	\$ 5.00										\$ 5.00
Cost per Therm	\$ 0.50280	\$ 0.01762	\$ 0.03670	\$ 0.01893	\$ 0.03296	\$ 0.00848	\$ 0.61749	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.46810
Baseline Quantities	0.65208	0.01762	0.03670	0.01893	0.03296	0.00848	0.76677	0.00076	0.13034	0.71951	1.61738
Tier II	0.32604										
GS-11 — Residential Air-Conditioning											
Basic Service Charge	\$ 5.00										\$ 5.00
Cost per Therm	\$ 0.50280	\$ 0.01842	\$ 0.03670	\$ 0.02025	\$ 0.03296	\$ 0.00848	\$ 0.61961	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.47022
Tier I	0.65208	0.01842	0.03670	0.02025	0.03296	0.00848	0.76689	0.00076	0.13034	0.71951	1.61950
Tier II	0.32604	0.01842	0.03670	0.02025	0.03296	0.00848	0.44285	0.00076	0.13034	0.71951	1.29346
Air-Conditioning											
GS-12 — CARE Residential Gas Service											
Basic Service Charge	\$ 4.00										\$ 4.00
Cost per Therm	\$ 0.23540	\$ 0.01762	\$ 0.03670	\$ 0.01893	\$ 0.03296	\$ 0.00848	\$ 0.35009	\$ 0.00076	\$ 0.00880	\$ 0.71951	\$ 1.07916
Baseline Quantities	0.35482	0.01762	0.03670	0.01893	0.03296	0.00848	0.46951	0.00076	0.00880	0.71951	1.19859
Tier II											
GS-15 — Secondary Residential Gas Service											
Basic Service Charge	\$ 6.00										\$ 6.00
Cost per Therm	\$ 0.78169	\$ 0.01779	\$ 0.03670	\$ 0.01911	\$ 0.03296	\$ 0.00848	\$ 0.86673	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.74734
GS-20 — Multi-Family Master-Metered Gas Service											
Basic Service Charge	\$ 25.00										\$ 25.00
Cost per Therm	\$ 0.50013	\$ 0.01881	\$ 0.03670	\$ 0.02041	\$ 0.03296	\$ 0.00848	\$ 0.61749	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.46810
Baseline Quantities	0.64941	0.01881	0.03670	0.02041	0.03296	0.00848	0.76677	0.00076	0.13034	0.71951	1.61738
Tier II											
GS-25 — Multi-Family Master-Metered Gas Service — Submetered											
Basic Service Charge	\$ 25.00										\$ 25.00
Cost per Therm	\$ 0.35932	\$ 0.01881	\$ 0.03670	\$ 0.02041	\$ 0.03296	\$ 0.00848	\$ 0.47068	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.32129
Baseline Quantities	0.64941	0.01881	0.03670	0.02041	0.03296	0.00848	0.76677	0.00076	0.13034	0.71951	1.61738
Tier II											
GS-30 — Street and Outdoor Lighting Gas Service											
Charge per Therm of Rated Capacity	\$ 0.57411	\$ 0.01754	\$ 0.03670	\$ 0.01937	\$ 0.03296	\$ 0.00848	\$ 0.68916	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.53977

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Upstream Intra-state Charges		Interstate Reservation Charge	Balancing Account Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Storage	Variable		CFCAM [3] NFCAM	ITCAM		CPUC	PPP [4]		
GS-35 — Agricultural Employee Housing and Nonprofit Group Living Facility Gas Service											
Basic Service Charge	\$ 8.80										\$ 8.80
Cost per Therm											
Summer (May - October)											
First 100	\$ 2.0027	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.30100	\$ 0.00076	\$ 0.00880	\$ 0.71951	\$ 1.03007
Next 500	0.10795	0.00152	0.03670	0.02107	0.03296	0.00848	0.20868	0.00076	0.00880	0.71951	0.93775
Next 2,400	0.02795	0.00152	0.03670	0.02107	0.03296	0.00848	0.12868	0.00076	0.00880	0.71951	0.85775
Over 3,000	(0.08071)	0.00152	0.03670	0.02107	0.03296	0.00848	0.02002	0.00076	0.00880	0.71951	0.74909
Winter (November - April)											
First 100	\$ 1.19576	\$ 0.02406	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.31903	\$ 0.00076	\$ 0.00880	\$ 0.71951	\$ 1.04810
Next 500	0.10344	0.02406	0.03670	0.02107	0.03296	0.00848	0.22671	0.00076	0.00880	0.71951	0.95578
Next 2,400	0.02344	0.02406	0.03670	0.02107	0.03296	0.00848	0.14671	0.00076	0.00880	0.71951	0.87578
Over 3,000	(0.08522)	0.02406	0.03670	0.02107	0.03296	0.00848	0.03805	0.00076	0.00880	0.71951	0.76712
GS-40 — Core General Gas Service											
Basic Service Charge	\$ 11.00										\$ 11.00
Cost per Therm											
Summer (May - October)											
First 100	\$ 0.45540	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.56513	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.40674
Next 500	0.34000	0.00152	0.03670	0.02107	0.03296	0.00848	0.44073	0.00076	0.13034	0.71951	1.29134
Next 2,400	0.24000	0.00152	0.03670	0.02107	0.03296	0.00848	0.34073	0.00076	0.13034	0.71951	1.19134
Over 3,000	0.10417	0.00152	0.03670	0.02107	0.03296	0.00848	0.20490	0.00076	0.13034	0.71951	1.05551
Winter (November - April)											
First 100	\$ 0.45540	\$ 0.02406	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.57867	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.42628
Next 500	0.34000	0.02406	0.03670	0.02107	0.03296	0.00848	0.46327	0.00076	0.13034	0.71951	1.31388
Next 2,400	0.24000	0.02406	0.03670	0.02107	0.03296	0.00848	0.36327	0.00076	0.13034	0.71951	1.21388
Over 3,000	0.10417	0.02406	0.03670	0.02107	0.03296	0.00848	0.22744	0.00076	0.13034	0.71951	1.07805
GS-50 — Core Natural Gas Service for Motor Vehicles											
Basic Service Charge	\$ 25.00										\$ 25.00
Cost per Therm											
Summer (May - October)											
First 100	\$ 0.09320	\$ 0.00079	\$ 0.03670	\$ 0.02952	\$ 0.03296	\$ 0.00848	\$ 0.20165	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.05226
Next 500	0.09320	0.00079	0.03670	0.02952	0.03296	0.00848	0.23066	0.00076	0.13034	0.71951	1.08127
Next 2,400											
Over 3,000											
Winter (November - April)											
First 100	\$ 0.45540	\$ 0.00127	\$ 0.03670	\$ 0.01892	\$ 0.03296	\$ 0.00848	\$ 0.55373	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.40434
Next 500	0.34000	0.00127	0.03670	0.01892	0.03296	0.00848	0.43833	0.00076	0.13034	0.71951	1.28894
Next 2,400	0.24000	0.00127	0.03670	0.01892	0.03296	0.00848	0.33833	0.00076	0.13034	0.71951	1.18894
Over 3,000	0.10417	0.00127	0.03670	0.01892	0.03296	0.00848	0.20250	0.00076	0.13034	0.71951	1.05311
Winter (November - April)											
First 100	\$ 0.45540	\$ 0.02830	\$ 0.03670	\$ 0.01892	\$ 0.03296	\$ 0.00848	\$ 0.58076	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.43137
Next 500	0.34000	0.02830	0.03670	0.01892	0.03296	0.00848	0.46556	0.00076	0.13034	0.71951	1.31597
Next 2,400	0.24000	0.02830	0.03670	0.01892	0.03296	0.00848	0.36536	0.00076	0.13034	0.71951	1.21597
Over 3,000	0.10417	0.02830	0.03670	0.01892	0.03296	0.00848	0.22953	0.00076	0.13034	0.71951	1.08014

Canceling

Revised
Revised

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Upstream Intra-state Charges		Interstate Reservation Charge	Balancing Account Adjustments CFCAM [3] NFCAM	ITCAM	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Storage	Variable					CPUC	PPP [4]		
GS-60 — Core Internal Combustion Engine Gas Service	\$ 25.00										\$ 25.00
Basic Service Charge											
Cost per Therm	\$ 0.13341	\$ 0.00103	\$ 0.03670	\$ 0.01807	\$ 0.03296	\$ 0.00848	\$ 0.23065	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.08126
Summer (May - October)											
Winter (November - April)	0.13341	0.03604	0.03670	0.01807	0.03296	0.00848	0.26566	0.00076	0.13034	0.71951	1.11627
GS-66 — Small Electric Power Generation Gas Service	\$ 25.00										\$ 25.00
Basic Service Charge											
Cost per Therm	\$ 0.09652	\$ 0.00123	\$ 0.03670	\$ 0.01807	\$ 0.03296	\$ 0.00848	\$ 0.19696	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 0.91723
Summer (May - October)											
Winter (November - April)	0.09652	0.03048	0.03670	0.01807	0.03296	0.00848	0.22621	0.00076	0.13034	0.71951	0.94648
GS-70 — Non-Core General Gas Transportation Service	\$ 100.00										\$ 100.00
Basic Service Charge											
Cost per Therm	\$ 0.08969	\$ 0.03670	\$ 0.03670	\$ 0.01807	\$ (0.00393)	\$ 0.00848	\$ 0.13094	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 0.26204
Summer (May - October)											
Winter (November - April)	0.08969	0.03670	0.03670	0.01807	(0.00393)	0.00848	0.13094	0.00076	0.13034	0.71951	0.26204
GSR — Sale for Resale Natural Gas Service	\$ 11.00										\$ 11.00
Basic Service Charge	\$ 780.00										
Transportation Service Charge											
Cost per Therm	\$ 0.45540	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.55613	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.40674
Summer (May - October)											
First 100	0.34000	0.00152	0.03670	0.02107	0.03296	0.00848	0.44073	0.00076	0.13034	0.71951	1.29134
Next 500	0.24000	0.00152	0.03670	0.02107	0.03296	0.00848	0.34073	0.00076	0.13034	0.71951	1.19134
Next 2,400	0.10417	0.00152	0.03670	0.02107	0.03296	0.00848	0.20490	0.00076	0.13034	0.71951	1.05551
Over 3,000											
Winter (November - April)											
First 100	\$ 0.45540	\$ 0.02406	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.57887	\$ 0.00076	\$ 0.13034	\$ 0.71951	\$ 1.42928
Next 500	0.34000	0.02406	0.03670	0.02107	0.03296	0.00848	0.46327	0.00076	0.13034	0.71951	1.31388
Next 2,400	0.24000	0.02406	0.03670	0.02107	0.03296	0.00848	0.36327	0.00076	0.13034	0.71951	1.21388
Over 3,000	0.10417	0.02406	0.03670	0.02107	0.03296	0.00848	0.22744	0.00076	0.13034	0.71951	1.07605
Transportation Franchise Fee (TFF) Surcharge Provision											\$ 0.00925
TFF Surcharge per Therm											
MHPS — Master-Metered Mobile Home Park Safety Inspection Provision											\$ 0.21000
MHPS Surcharge per Space per Month											

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$0.00566 per therm for distribution system shrinkage. The PCA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The CFCAM surcharge includes an amount of \$0.00368 per therm related to the difference between Southwest's authorized core margin and recorded revenues intended to recover these costs.

[4] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes \$.00134 per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2] [3] [4]

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges		Balancing Acct. Adj. CFCAM [5] NFCAM	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Reservation	Storage			CPLUC	PPP [6]		
GN-10 — Residential Gas Service									
Basic Service Charge	\$ 5.00							\$	5.00
Cost per Therm								\$ 0.56259	1.41746
Baseline Quantities	\$ 0.61318	\$ 0.17057	\$ 0.03094	\$ 0.01985	\$ 0.83454	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.51969
Tier II	0.71541	0.17057	0.03094	0.01985	0.93677	0.00076	0.01957	0.56259	1.51969
GN-12 — CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$	4.00
Cost per Therm								\$ 0.56259	1.12522
Baseline Quantities	\$ 0.33375	\$ 0.17057	\$ 0.03094	\$ 0.01985	\$ 0.55511	\$ 0.00076	\$ 0.00676	\$ 0.56259	1.20701
Tier II	0.41554	0.17057	0.03094	0.01985	0.63690	0.00076	0.00676	0.56259	1.20701
GN-15 — Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$	6.00
Cost per Therm								\$ 0.56259	1.56563
Baseline Quantities	\$ 0.76091	\$ 0.17094	\$ 0.03101	\$ 0.01985	\$ 0.98271	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.56563
Tier II									
GN-20 — Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 25.00							\$	25.00
Cost per Therm								\$ 0.56259	1.41746
Baseline Quantities	\$ 0.61760	\$ 0.16683	\$ 0.03026	\$ 0.01985	\$ 0.83454	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.51969
Tier II	0.71983	0.16683	0.03026	0.01985	0.93677	0.00076	0.01957	0.56259	1.51969
GN-25 — Multi-Family Master-Metered Gas Service — Submetered									
Basic Service Charge	\$ 25.00							\$	25.00
Cost per Therm								\$ 0.56259	1.27571
Baseline Quantities	\$ 0.47585	\$ 0.16683	\$ 0.03026	\$ 0.01985	\$ 0.69279	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.51969
Tier II	0.71983	0.16683	0.03026	0.01985	0.93677	0.00076	0.01957	0.56259	1.51969
GN-30 — Street and Outdoor Lighting Gas Service									
Charge per Therm of Rated Capacity	\$ 0.72306	\$ 0.16920	\$ 0.03069	\$ 0.01985	\$ 0.94280	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.52572
GN-35 — Agricultural Employee Housing and Nonprofit Group Living Facility Gas Service									
Basic Service Charge	\$ 8.80							\$	8.80
Cost per Therm								\$ 0.56259	0.97769
Summer (June - September)	\$ 0.22241	\$ 0.16552	\$ 0.00000	\$ 0.01985	\$ 0.40778	\$ 0.00076	\$ 0.00676	\$ 0.56259	0.89789
First 100	0.14241	0.16552	0.00000	0.01985	0.32778	0.00076	0.00676	0.56259	0.82429
Next 500	0.06881	0.16552	0.00000	0.01985	0.25418	0.00076	0.00676	0.56259	0.71998
Next 2,400	(0.03550)	0.16552	0.00000	0.01985	0.14987	0.00076	0.00676	0.56259	0.71998
Over 3,000									
Winter (October - May)	\$ 0.21485	\$ 0.16552	\$ 0.03780	\$ 0.01985	\$ 0.43802	\$ 0.00076	\$ 0.00676	\$ 0.56259	1.00813
First 100	0.13485	0.16552	0.03780	0.01985	0.35802	0.00076	0.00676	0.56259	0.92813
Next 500	0.06125	0.16552	0.03780	0.01985	0.28442	0.00076	0.00676	0.56259	0.85453
Next 2,400	(0.04306)	0.16552	0.03780	0.01985	0.18011	0.00076	0.00676	0.56259	0.75022
Over 3,000									

Canceling

Revised
Revised

Cal. P.U.C. Sheet No. 6462-G
Cal. P.U.C. Sheet No. 6453-G

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2] [3] [4]

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges		Balancing Acct. Adj. CFCAM [5] NFCAM	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Reservation	Storage			CPUC	PPP [6]		
GN-40 — Core General Gas Service	11.00								\$ 11.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.46500	\$ 0.16552	\$ 0.00000	\$ 0.01985	\$ 0.65037	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.23329
First 100	0.36500	0.16552	0.00000	0.01985	0.55037	0.00076	0.01957	0.56259	1.13329
Next 500	0.27300	0.16552	0.00000	0.01985	0.45837	0.00076	0.01957	0.56259	1.04129
Next 2,400	0.14262	0.16552	0.00000	0.01985	0.32789	0.00076	0.01957	0.56259	0.91091
Over 3,000									
Winter (October - May)	\$ 0.46500	\$ 0.16552	\$ 0.03780	\$ 0.01985	\$ 0.68817	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.27109
First 100	0.36500	0.16552	0.03780	0.01985	0.58817	0.00076	0.01957	0.56259	1.17109
Next 500	0.27300	0.16552	0.03780	0.01985	0.49617	0.00076	0.01957	0.56259	1.07909
Next 2,400	0.14262	0.16552	0.03780	0.01985	0.36579	0.00076	0.01957	0.56259	0.94871
Over 3,000									
GN-50 — Core Natural Gas Service for Motor Vehicles	25.00								\$ 25.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.06999	\$ 0.13335	\$ 0.00000	\$ 0.01985	\$ 0.22319	\$ 0.00076	\$ 0.01957	\$ 0.56259	0.80611
Winter (October - May)	0.06999	0.13335	0.03583	0.01985	0.25902	0.00076	0.01957	0.56259	0.84194
GN-60 — Core Internal Combustion Engine Gas Service	25.00								\$ 25.00
Basic Service Charge									
Cost per Therm									
Summer (May - October)	\$ 0.24709	\$ 0.15688	\$ 0.00000	\$ 0.01985	\$ 0.42382	\$ 0.00076	\$ 0.01957	\$ 0.56259	1.00674
Winter (November - April)	0.24709	0.15688	0.03237	0.01985	0.45619	0.00076	0.01957	0.56259	1.03911
GN-66 — Small Electric Power Generation Gas Service	25.00								\$ 25.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.08413	\$ 0.16552	\$ 0.00000	\$ 0.01985	\$ 0.26950	\$ 0.00076	\$ 0.01957	\$ 0.56259	0.83285
Winter (October - May)	0.08413	0.16552	0.03780	0.01985	0.30730	0.00076	0.01957	0.56259	0.87065
GN-70 — Noncore General Gas Transportation Service	100.00								\$ 100.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.08969	\$ 0.08969	\$ 0.00076	\$ 0.01957	\$ 0.08969	\$ 0.00076	\$ 0.01957	\$ 0.56259	0.11002
Winter (October - May)	0.08969	0.08969	0.00076	0.01957	0.08969	0.00076	0.01957	0.56259	0.11002
Transportation Franchise Fee (TFF) Surcharge Provision									
TFF Surcharge per Therm									\$ 0.00837

Schedule No. GCP

GAS PROCUREMENT FOR CORE CUSTOMERS

APPLICABILITY

Applicable to core customers who purchase natural gas from the Company. Service under this schedule will be provided in conjunction with the customer's otherwise applicable sales rate schedule.

TERRITORY

Throughout the Company's certificated gas service areas in both its Southern and Northern California Divisions, except as may hereafter be provided.

RATES

The Company shall adjust the Cost of Gas for this schedule monthly to reflect its estimated average gas costs. This revised rate shall become effective between the first and seventh calendar day of each month.

Procurement Charges:

Southern California Division

Cost of Gas	\$.70857
F&U	<u>.01094</u>
Total	\$.71951

Northern California Division including South Lake Tahoe

Cost of Gas	\$.55322
F&U	<u>.00937</u>
Total	\$.56259

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SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

California Gas Tariff

Canceling Revised
Revised

Cal. P.U.C. Sheet No. 6464-G

Cal. P.U.C. Sheet No. 6455-G

(Sheet 3 of 12)

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Advice Letter No. 778
Decision No. _____

Issued by
John P. Hester
Senior Vice President

Date Filed May 1, 2007
Effective May 7, 2007
Resolution No. _____

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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES [1] [2] [3]

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges		CFCAM	Subtotal Gas Usage Rate	CPUC	PPP [3]	Gas Cost	Effective Sales Rate
		Reservation	Storage						
GT-211 — Permanent Residential Natural Gas Service									
Basic Service Charge	\$ 5.50							\$ 5.50	
Cost per Therm	\$ 0.17467	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.26957	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 0.85249
Baseline Quantities Tier II	0.00000	0.38724	0.03092	0.02044	0.43860	0.00076	0.01957	0.56259	1.02152
GT-211 — Seasonal Residential Natural Gas Service									
Basic Service Charge	\$ 5.50							\$ 5.50	
Cost per Therm	\$ 0.00000	\$ 0.38724	\$ 0.03092	\$ 0.02044	\$ 0.43860	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 1.02152
GLT-212 — Limited Income Residential Natural Gas Service									
Basic Service Charge	\$ 4.40							\$ 4.40	
Cost per Therm	0.00624	0.04354	0.03092	0.02044	0.10314	0.00076	0.00676	0.56259	0.67325
Baseline Quantities Tier II	(0.20024)	0.38724	0.03092	0.02044	0.23836	0.00076	0.00676	0.56259	0.80847
GT-221 — General Natural Gas Service									
Basic Service Charge	\$ 5.50							\$ 5.50	
Cost per Therm	\$ 0.12173	\$ 0.16552	\$ 0.00000	\$ 0.02044	\$ 0.30769	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 0.89061
Summer	0.12173	0.16552	0.03780	0.02044	0.34549	0.00076	0.01957	0.56259	0.92841
Winter									
GLT-222 — Limited Income General Natural Gas Service									
Basic Service Charge	\$ 4.40							\$ 4.40	
Cost per Therm	(0.05233)	\$ 0.16552	\$ 0.00000	\$ 0.02044	\$ 0.13363	\$ 0.00076	\$ 0.00676	\$ 0.56259	\$ 0.70374
Summer	(0.05989)	0.16552	0.03780	0.02044	0.16387	0.00076	0.00676	0.56259	0.73398
Winter									
GST-223 — Multi-Family Natural Gas Service (Submetered) [4]									
Basic Service Charge per Month per Dwelling	\$ 5.50							\$ 5.50	
Cost per Therm	\$ 0.17467	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.26957	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 0.85249
Baseline Quantities Tier II	0.00000	0.38724	0.03092	0.02044	0.43860	0.00076	0.01957	0.56259	1.02152
GMT-224 — Multi-Family Natural Gas Service (Not Submetered)									
Basic Service Charge per Month per Dwelling	\$ 5.50							\$ 5.50	
Cost per Therm	\$ 0.17467	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.26957	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 0.85249
Baseline Quantities Tier II	0.00000	0.38724	0.03092	0.02044	0.43860	0.00076	0.01957	0.56259	1.02152

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES [1] [2] [3]
(Continued)

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges		CFCAM	Subtotal Gas Usage Rate	CPUC	PPP [3]	Gas Cost	Effective Sales Rate
		Reservation	Storage						
GT-244 — Large General Natural Gas Service	\$ 495.00								\$ 495.00
Minimum Annual Charge	\$								
Cost per Therm	\$ 0.12173	\$ 0.16552	\$ 0.00000	\$ 0.02044	\$ 0.30769	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 0.89061 I
Summer									
Winter	\$ 0.12173	\$ 0.16552	\$ 0.03780	\$ 0.02044	\$ 0.34549	\$ 0.00076	\$ 0.01957	\$ 0.56259	\$ 0.92841 I
GTT-255 — Transportation Service									
For Customer-Owned Gas									
Minimum Annual Charge	\$ 33,073.00								\$ 33,073.00
Basic Service Charge	\$ 5.50								\$ 5.50
Cost per Therm	\$ 0.12173				\$ 0.12173	\$ 0.00076	\$ 0.01957	\$ 0.14206	\$ 0.14206
Summer									
Winter	\$ 0.12173				\$ 0.12173	\$ 0.00076	\$ 0.01957	\$ 0.14206	\$ 0.14206
Transportation Franchise Fee (TFF) Surcharge Provision									\$ 0.00837 I
TFF Surcharge per Therm									
MHPS — Master-Metered Mobile Home Park Safety Inspection Provision									\$ 0.21000
MHPS Surcharge per Space per Month									

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate. The volume charge for customer-secured natural gas transportation service will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. PPFS-292. The PPP Surcharge includes <\$,00082> per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

[4] A discount of \$4.00 per month per occupied dwelling unit will be applied to Schedule GST-223.

**SOUTHWEST GAS CORPORATION
CALCULATION OF MONTHLY CORE PROCUREMENT CHARGES
FOR THE MONTH OF MAY 2007**

Line No.	Description (a)	Amount (b)	Line No.
<u>Southern California</u>			
1	Projected Cost of Gas [1]	\$ 0.69416	1
2	Monthly Account No. 191 Surcharge [2]	0.01441	2
3	Subtotal	<u>\$ 0.70857</u>	3
4	Franchise & Uncollectibles @ 1.5437% [3]	<u>0.01094</u>	4
5	Total May Core Procurement Charge	<u><u>\$ 0.71951</u></u>	5
 <u>Northern California and South Lake Tahoe District</u>			
6	Projected Cost of Gas [4]	\$ 0.52686	6
7	Monthly Account No. 191 Surcharge [5]	0.02636	7
8	Subtotal	<u>\$ 0.55322</u>	8
9	Franchise & Uncollectibles @ 1.6933% [3]	<u>0.00937</u>	9
10	Total May Core Procurement Charge	<u><u>\$ 0.56259</u></u>	10

[1] Schedule I, Sheet 2.

[2] Schedule I, Sheet 4.

[3] Order Approving Southwest Application 02-02-012 (D.04-03-034).

[4] Schedule I, Sheet 3.

[5] Schedule I, Sheet 5.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF MAY 2007**

Line No.	Description (a)	Dth (b)	Average Cost Per Unit (c)	Amount (d)	Line No.
<u>City Gate Demand and Storage Injections</u>					
1	Total City Gate Demand	480,240			1
2	Projected Imbalance for Storage Injection	108,705			2
3	Total Demand and Storage Injections	<u>588,945</u>			3
<u>Southern California Basin Gas Purchases</u>					
4	Term Purchases	-	\$ -	\$ -	4
5	First of Month Purchases	176,700	\$ 6.6877	1,181,723	5
6	Spot Purchases	-	\$ -	-	6
7	In Kind Fuel	(5,071)			7
8	El Paso Variable Transmission	171,629	\$ 0.0196	3,364	8
9	Basin Gas Delivered To California Border			<u>\$ 1,185,087</u>	9
<u>Southern California Border Gas Purchases</u>					
10	Term Purchases	62,000	\$ 6.8555	\$ 425,041	10
11	First of Month Purchases	355,317	\$ 6.9744	2,478,116	11
12	Spot Purchases	-	\$ -	-	12
13	Total Border Gas Purchases			<u>\$ 2,903,157</u>	13
<u>Storage Withdrawals</u>					
14	Projected Volume	-	\$ -	\$ -	14
15	O&M Withdrawal Variable Charge	-	\$ -	-	15
16	Total Average Cost of Gas			<u>\$ -</u>	16
17	Total Cost of Gas at the City Gate	<u>588,945</u>	<u>\$ 6.9416</u>	<u>\$ 4,088,244</u>	17

[1] Based on April 26, 2007 first of the month forwards.

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF MAY 2007**

Line No.	Description (a)	Dth (b)	Average Cost Per Unit (c)	Amount (d)	Line No.
1	Total City Gate Demand (Dth-Net)	<u>229,183</u>			1
			[1]		
2	Projected Purchases Into NWPL	3,741	\$ 5.8808	\$ 22,000	2
3	Projected Purchases Into Tuscarora	-	\$ -	-	3
4	Projected Purchases Into Paiute	229,000	\$ 5.1747	1,185,000	4
5	Total Projected Gas Purchases into Mainline			<u>\$ 1,207,000</u>	5
	<u>Transportation Cost</u>				
6	NWPL Volumetric Charge [2]	3,673	\$ 0.0316	\$ 116	6
7	Paiute Volumetric Charge [3]	229,183	\$ 0.0016	367	7
8	Tuscarora Volumetric Charge [4]	-	\$ -	-	8
9	Total Transportation Variable Cost			<u>\$ 483</u>	9
10	Total Cost at the City Gate (Excluding LNG and Pipeline Fixed Charges)	<u>229,183</u>	<u>\$ 5.2686</u>	<u>\$ 1,207,483</u>	10

[1] Based on April 26, 2007 first of the month forwards.

[2] NWPL fuel at 1.82%.

[3] Paiute fuel at 1.50%.

[4] Tuscarora fuel at 0.00%.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENTS
FOR THE MONTH OF MAY 2007**

Line No.	Description (a)	Estimated April Activity (b)	May Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for March 2007		\$ 973,814	1
2	No January Imbalance Activity		-	2
3	February Imbalance Trades		391,155	3
4	Adjusted Ending Balance		<u>\$ 1,364,969</u>	4
5	March Rate	\$ 0.03445		5
6	April Rate	0.00558		6
7	Average Rate	<u>\$ 0.02002</u>		7
8	Estimated April Sales	7,465,546		8
9	Estimated April Acct. No. 191 Activity (Line 7 x Line 8)		\$ (149,460)	9
10	Estimated April Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ 1,215,509</u>	10
11	Twelve Months Projected Sales		<u>84,346,178</u>	11
12	May Surcharge (Line 10 / Line 11)		<u><u>\$ 0.01441</u></u>	12

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENT
FOR THE MONTH OF MAY 2007**

Line No.	Description (a)	Estimated April Activity (b)	May Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for March 2007		\$ 1,232,003	1
2	March Rate	\$ 0.03154		2
3	April Rate	0.03200		3
4	Average Rate	<u>\$ 0.03177</u>		4
5	Estimated April Sales	4,200,062		5
6	Estimated April Acct. No. 191 Activity (Line 4 x Line 5)		\$ (133,436)	6
7	Estimated April Acct. No. 191 Ending Balance		<u>\$ 1,098,567</u>	7
8	Twelve Months Projected Sales		<u>41,667,877</u>	8
9	May Surcharge (Line 7 / Line 8)		<u><u>\$ 0.02636</u></u>	9

**SOUTHWEST GAS CORPORATION
CALCULATION OF TRANSPORTATION FRANCHISE FEE (TFF) SURCHARGE
FOR THE MONTH OF MAY 2007**

Line No.	Description (a)	(\$/therm) (b)	Line No.
	<u>Southern California</u>		
1	Estimated Cost of Gas [1]	\$ 0.69416	1
2	Franchise Tax @ 1.3329% [2]	<u>0.00925</u>	2
	<u>Northern California and South Lake Tahoe District</u>		
3	Estimated Cost of Gas [1]	<u>\$ 0.52686</u>	3
4	Franchise Tax @ 1.5882% [2]	<u>\$ 0.00837</u>	4

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Application 02-02-012 (D.04-03-034).

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

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EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **778**

Subject of AL: **To update procurement charges applicable to Schedule No. GCP for core customers and the Transportation Franchise Fee (TFF) Surcharges applicable to core and noncore customers in the Southern and Northern California Divisions and the gas cost procurement in the South Lake Tahoe District**

Keywords (choose from CPUC listing): **Increase Rates**

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 7, 2007**

No. of tariff sheets: **10 in CA Gas Tariff; and 2 in CA South Lake Tahoe Tariff**

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

Estimated system average rate effect (%): **3.85% So. CA, 0.44% No. CA and 0.66% So. Lake Tahoe**

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: **Schedule No. GCP - Gas Procurement for Core Customers**

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)
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¹ Discuss in AL if more space is needed.

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