TO ALL HOLDERS OF SOUTHWEST GAS CORPORATION CALIFORNIA GAS TARIFF

Subject: Revision No. 254 (Advice Letter 681)

The attached tariff sheets reflect the authorization granted by the California Public Utilities Commission for Southwest to implement monthly gas cost rates for its customers in California. Such sheets reflect revised gas cost rates effective April 7, 2003 for Southwest's Northern California Division. Southwest's Southern California Division will not experience a change and will remain at the March 7, 2003 gas cost rates throughout the month of April.

The attached tariff sheets also reflect the following updates: (1) Core Subscription Procurement Charge Schedule No. G-CS; and (2) Transportation Franchise Fee (TFF) Surcharge applicable to core and non-core customers who secure their own sources of supply.

Please make the following changes in your copy of Southwest's California Gas Tariff:

Title of Sheet	Canceling Cal. P.U.C. <u>Sheet No.</u>
Statement of Rates - Effective Rates Applicable to Southern California Division Schedules (Continued)	5657-G
Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	5658-G
Statement of Rates - Effective Rates Applicable to Northern California	5659-G
Schedule No. GCP - Gas Procurement for Core Customers	5660-G
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	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules (Continued) Statement of Rates - Effective Rates Applicable to Northern California Division Schedules Statement of Rates - Effective Rates Applicable to Northern California Division Schedules (Continued) Schedule No. GCP - Gas Procurement for Core Customers Table of Contents (Continued) Table of Contents (Continued)

Keith A. Brown Supervisor, State Regulatory Affairs

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