

September 7, 2006

TO ALL HOLDERS OF
SOUTHWEST GAS CORPORATION
CALIFORNIA GAS TARIFF

Subject: Revision No. 317 (Advice Letter No. 767)

The attached tariff sheets reflect the authorization granted by the California Public Utilities Commission (Commission) for Southwest to implement monthly gas cost rates for its customers in California. The attached sheets reflect 1) revised rates effective September 7, 2006, for the Gas Cost component of Schedule No. GCP, and 2) updates the Transportation Franchise Fee (TFF) Surcharge applicable to core and non-core customers who secure their own sources of supply. This revision also eliminates the Base Margin Shortfall Memorandum Account (BMSMA) from your tariff. The BMSMA is no longer available for use due to the August 1, 2006 implementation of Southwest's 2006 Attrition Year rates in billings to customers, core and noncore amounts in the Base Margin Shortfall Memorandum Account (BMSMA) were transferred to Southwest's Core and Noncore Fixed Cost Balancing Accounts, respectively.

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

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Remove	Preliminary Statements (<i>Continued</i>)	6306-G
6371-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6362-G
6372-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6363-G
6373-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6364-G*
6374-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6365-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
6375-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6366-G
6376-G	Schedule No. GCP – Gas Procurement For Core Customers	6367-G*
6377-G	Table of Contents (<i>Continued</i>)	6325-G-B
6378-G	Table of Contents (<i>Continued</i>)	6368-G*
6379-G	Table of Contents (<i>Continued</i>)	6369-G*
6380-G	Table of Contents	6370-G*

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Director, Government and State Regulatory Affairs

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Attachments