

December 29, 2006

TO ALL HOLDERS OF
SOUTHWEST GAS CORPORATION
CALIFORNIA GAS TARIFF

Subject: Revision No. 321 (Advice Letter Nos. 769 and 770)

The attached tariff sheets reflect the authorization granted by the California Public Utilities Commission (Commission) for Southwest to:

- 1) Recover Southwest's 2007 Attrition Year Margin Revenue in compliance with Decision 04-03-034;
- 2) Update Balancing Account Surcharges applicable to the Core Fixed Cost Adjustment Mechanism (CFCAM);
- 3) Adjust transportation and storage rates to reflect forecast period upstream pipeline charges;
- 4) Update Balancing Account Surcharges applicable to the Noncore Fixed Cost Adjustment Mechanism (NFCAM) as well as the Interstate Transportation Cost Adjustment Mechanism (ITCAM) which is applicable to Southwest's Southern California Division only; and
- 5) Update its Public Purpose Program (PPP) Surcharges.

The Commission authorized Southwest to implement the above changes effective January 1, 2007.

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.
6390-G	Preliminary Statements (<i>Continued</i>)	6316-G-B
6391-G	Preliminary Statements (<i>Continued</i>)	6318-G-B
6392-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6381-G/ 6413-G
6393-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6382-G/ 6414-G
6394-G*	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6383-G/ 6394-G/ 6415-G

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Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
6395-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6384-G/ 6416-G
6396-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6385-G/ 6417-G
6397-G*	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6324-G-B/ 6397-G
6401-G	Schedule No. G-PPPS – <u>Surcharge to Fund Public Purpose Programs (PPP)</u>	6245-G-A
6398-G	Table of Contents (<i>Continued</i>)	6377-G
6399-G*	Table of Contents (<i>Continued</i>)	6387-G/ 6399-G 6419-G
6402-G	Table of Contents (<i>Continued</i>)	6388-G/ 6420-G
6400-G*	Table of Contents	6389-G/ 6400-G/ 6403-G 6421-G

NOTE: Sheet Nos. 6381-G through 6385-G and 6387-G through 6389-G were previously canceled by Advice Letter No. 771 (Revision No. 319), while Sheet Nos. 6394-G, 6397-G, 6399-G, 6400-G and 6403-G were superseded prior to issuing.

Debra S. Jacobson
Director, Government and State Regulatory Affairs

DSJ:vo
Attachments