

JIM GIBBONS
Governor

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION OF NEVADA

<http://pucweb1.state.nv.us/PUCN>

NORTHERN NEVADA OFFICE
1150 East William Street
Carson City, Nevada 89701-3109
(775) 684-6101 • Fax (775) 684-6110



SOUTHERN NEVADA OFFICE
101 Convention Center Drive, Suite 250
Las Vegas, Nevada 89109
(702) 486-7210 • Fax (702) 486-7206

April 21, 2009

Southwest Gas Corporation
PO Box 98510
Las Vegas, NV 89193-8510

RE: Docket No.: 09-02018
Application of Southwest Gas Corporation filed under Advice Letter No. 449 to revise
Tariff No. 6 to update the tax liability factors used to calculate the federal income tax
liability associated with customer provided contributions and advances.

To Whom It May Concern:

With reference to the above-captioned docket, enclosed are copies of the tariff sheet
which was accepted for filing by the Public Utilities Commission of Nevada effective April 18,
2009.

Sincerely,

A handwritten signature in cursive script that reads "Mary L. Thompson".

Mary L. Thompson
Administrative Assistant III

Enclosure(s)

cc: ✓ PUC Master File



SOUTHWEST GAS CORPORATION

February 18, 2009

Ms. Crystal Jackson, Secretary
Public Utilities Commission of Nevada
Capitol Plaza
1150 East William Street
Carson City, NV 89701-3109

Dear Ms. Jackson:

Southwest Gas Corporation herewith submits its Advice Letter No. 449.

A filing fee in the amount of \$10.00 is included. Also enclosed is one copy of the Draft Notice Application, pursuant to Nevada Administrative Code, Section 703.162.

Very truly yours,

Roger C. Montgomery

RCM:pr
Enclosures



SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

Advice Letter No. 449

February 18, 2009

PUBLIC UTILITIES COMMISSION OF NEVADA

Southwest Gas Corporation (Southwest) tenders herewith for filing the following tariff sheet applicable to its Nevada Gas Tariff No. 6:

Proposed P.U.C.N. Sheet No.

Supersedes P.U.C.N. Sheet No.

12th Revised Sheet No. 19

11th Revised Sheet No. 19

The purpose of this filing is to update the Tax Liability Factors used to calculate the federal income tax liability associated with customer provided contributions and advances in compliance with the Commission's order in Docket No. 08-03006, dated April 25, 2008. This factor is based on the current rate for Statutory Interest Paid on Customer Deposits, pursuant to Nevada Revised Statutes, NRS 704.655, effective January 1, 2009 and reflects the 50 percent bonus depreciation enacted in the American Recovery and Reinvestment Act of 2009. Southwest requests the Tax Liability Factor be effective January 1, 2009.

Copies of the calculation for both Southern and Northern Nevada service territories are included with this filing.

This filing is made in accordance with the Nevada Administrative Code, NAC Chapter 703, of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By *Roger C. Montgomery*
Roger C. Montgomery

RCM:pr
Attachments

**STATEMENT OF RATES
TAX LIABILITY FACTORS ^[1]**

<u>Effective Date</u>	<u>Depreciable Assets</u>		<u>Non-Depreciable Assets</u>	
	<u>So. Nevada</u>	<u>No. Nevada</u>	<u>So. Nevada</u>	<u>No. Nevada</u>
January 1, 2009	1.11	1.13	1.54	1.54

[1] The above Tax Liability Factors will be used in accordance with the Utility's Rule No. 9, Main Extensions and Rule No. 10, Service Extensions, to adjust cash and non-cash contributions in aid of construction and advances for construction to recover the cost of Federal Income Tax in accordance with NAC 704.6532.

Issued:
February 18, 2009

Effective:
January 1, 2009

Advice Letter No.:
449

Issued by
John P. Hester
Senior Vice President

SOUTHWEST GAS - SOUTHERN NEVADA
TAX LIABILITY FACTOR FOR 01/01/09 THROUGH 06/30/09
BASED ON \$1,000 CONTRIBUTION AND 15 YEAR DEPRECIATION PERIOD

THE RECOVERY AND REINVESTMENT ACT OF 2009

LINE NO.	YEAR	BEGINNING			CURRENT AUTHORIZED PRETAX RETURN* 9.71%	CURRENT CUSTOMER DEPOSIT RATE* 0.430%	PRESENT VALUE	TAX SAVINGS CALCULATION			ANNUAL TAX SAVINGS AT 35%	LINE NO.	
		TAX PAYMENT BALANCE	YEARLY TAX BENEFIT	ENDING TAX PAYMENT BALANCE				TAX DEPRECIATION RATE	ANNUAL TAX DEPRECIATION	TAX SAVINGS RATE			
1	1	350.00	183.75	166.25	16.14	0.9979	16.110	1	1,000	52.50%	525.00	183.75	1
2	2	166.25	16.63	149.63	14.53	0.9936	14.440	2	1,000	4.75%	47.50	16.63	2
3	3	149.63	14.98	134.65	13.07	0.9893	12.930	3	1,000	4.28%	42.80	14.98	3
4	4	134.65	13.48	121.17	11.77	0.9851	11.590	4	1,000	3.85%	38.50	13.48	4
5	5	121.17	12.15	109.03	10.59	0.9809	10.380	5	1,000	3.47%	34.70	12.15	5
6	6	109.03	10.92	98.11	9.53	0.9767	9.300	6	1,000	3.12%	31.20	10.92	6
7	7	98.11	10.33	87.78	8.52	0.9725	8.290	7	1,000	2.95%	29.50	10.33	7
8	8	87.78	10.33	77.46	7.52	0.9683	7.280	8	1,000	2.95%	29.50	10.33	8
9	9	77.46	10.36	67.10	6.51	0.9642	6.280	9	1,000	2.96%	29.60	10.36	9
10	10	67.10	10.33	56.77	5.51	0.9601	5.290	10	1,000	2.95%	29.50	10.33	10
11	11	56.77	10.36	46.41	4.51	0.9559	4.310	11	1,000	2.96%	29.60	10.36	11
12	12	46.41	10.33	36.09	3.50	0.9519	3.340	12	1,000	2.95%	29.50	10.33	12
13	13	36.09	10.36	25.73	2.50	0.9478	2.370	13	1,000	2.96%	29.60	10.36	13
14	14	25.73	10.33	15.40	1.50	0.9437	1.410	14	1,000	2.95%	29.50	10.33	14
15	15	15.40	10.36	5.04	0.49	0.9397	0.460	15	1,000	2.96%	29.60	10.36	15
16	16	5.04	5.04	0.00	0.00	0.9357	-	16	1,000	1.440%	14.40	5.04	16
TOTAL		<u>350.00</u>					<u>113.78</u>	TOTAL		100.00%		<u>350.00</u>	

CONVERSION TO PERCENTAGE PER DOLLAR OF CONTRIBUTION 11.38%

GROSS-UP FACTOR 1 + 11.38% = Rounded 1.11

ASSUMPTIONS

FEDERAL INCOME TAX RATE OF 35% SIGNED INTO LAW 8/10/93
CUSTOMER DEPOSIT RATE* 0.430% 12/04/08 26 WK TREASURY BILL DISCOUNT RATE ONLINE
AUTHORIZED RATE OF RETURN

GAS
DEBT* 3.25%
EQUITY* 4.20%
TOTAL 7.45%
GROSS UP FOR TAX 2.26%
PRETAX RETURN 9.71%

COMPUTED ON EQUITY PORTION ONLY
* DKT.# 04-3011

INCOME TAX GROSSUP FACTOR 1.5385 EQUALS (1/(1-TAX RATE))

**SOUTHWEST GAS - NORTHERN NEVADA
TAX LIABILITY FACTOR FOR 01/01/09 THROUGH 06/30/09
BASED ON \$1,000 CONTRIBUTION AND 15 YEAR DEPRECIATION PERIOD**

FOR DISCUSSION PURPOSES ONLY

LINE NO.	YEAR	BEGINNING		ENDING TAX PAYMENT	CURRENT AUTHORIZED PRETAX RETURN* 10.82% RETURN	CURRENT CUSTOMER DEPOSIT RATE* 0.430% PV FACTOR	PRESENT VALUE	2009 STIMULUS PACKAGE IMPACT ON TAX SAVINGS CALCULATION					LINE NO.
		TAX BALANCE	YEARLY TAX BENEFIT					TAX DEPRECIATION	WITH 50% BONUS TAX DEPRECIATION	ANNUAL TAX SAVINGS AT 35%			
1	1	350.00	183.75	166.25	17.99	0.9979	17.950	1	1,000	52.50%	525.00	183.75	1
2	2	166.25	16.63	149.63	16.19	0.9936	16.090	2	1,000	4.75%	47.50	16.63	2
3	3	149.63	14.98	134.65	14.57	0.9893	14.410	3	1,000	4.28%	42.80	14.98	3
4	4	134.65	13.48	121.17	13.11	0.9851	12.920	4	1,000	3.85%	38.50	13.48	4
5	5	121.17	12.15	109.03	11.80	0.9809	11.570	5	1,000	3.47%	34.70	12.15	5
6	6	109.03	10.92	98.11	10.61	0.9767	10.370	6	1,000	3.12%	31.20	10.92	6
7	7	98.11	10.33	87.78	9.50	0.9725	9.240	7	1,000	2.95%	29.50	10.33	7
8	8	87.78	10.33	77.46	8.38	0.9683	8.120	8	1,000	2.95%	29.50	10.33	8
9	9	77.46	10.36	67.10	7.26	0.9642	7.000	9	1,000	2.96%	29.60	10.36	9
10	10	67.10	10.33	56.77	6.14	0.9601	5.900	10	1,000	2.95%	29.50	10.33	10
11	11	56.77	10.36	46.41	5.02	0.9559	4.800	11	1,000	2.96%	29.60	10.36	11
12	12	46.41	10.33	36.09	3.90	0.9519	3.720	12	1,000	2.95%	29.50	10.33	12
13	13	36.09	10.36	25.73	2.78	0.9478	2.640	13	1,000	2.96%	29.60	10.36	13
14	14	25.73	10.33	15.40	1.67	0.9437	1.570	14	1,000	2.95%	29.50	10.33	14
15	15	15.40	10.36	5.04	0.55	0.9397	0.510	15	1,000	2.96%	29.60	10.36	15
16	16	5.04	5.04	0.00	0.00	0.9357	-	16	1,000	1.44%	14.40	5.04	16
TOTAL		350.00					126.81	TOTAL		100.00%		350.00	0

CONVERSION TO PERCENTAGE PER DOLLAR OF CONTRIBUTION 12.68%

GROSS-UP FACTOR 1 + 12.68% = Rounded 1.13

ASSUMPTIONS

FEDERAL INCOME TAX RATE OF 35% SIGNED INTO LAW 8/10/93
 CUSTOMER DEPOSIT RATE* 0.430% 12/04/08 26 WK TREASURY BILL DISCOUNT RATE ONLINE
 AUTHORIZED RATE OF RETURN

GAS
 DEBT* 4.36%
 EQUITY* 4.20%
 TOTAL 8.56%
 GROSS UP FOR TAX 2.26%
 PRETAX RETURN 10.82%

COMPUTED ON EQUITY PORTION ONLY
 * DKT.# 04-3011

INCOME TAX GROSSUP FACTOR 1.5385 EQUALS (1/(1-TAX RATE))