



SOUTHWEST GAS CORPORATION

Consolidated Annual Deferred Energy Account Adjustment & Variable Interest Expense Recovery Mechanism Hearing and Consumer Session Docket No. 08-05008 – Public Notice

Southwest Gas Corporation (Southwest) has requested authorization from the Public Utilities Commission of Nevada (PUCN) to adjust customers' rates. The rate adjustments Southwest is requesting in its Southern Nevada Division include: (1) a change to the Deferred Energy Account Adjustment (DEAA) to reduce it to a credit of \$0.04058; and (2) a change to the Delivery Charge to recover lower variable interest expense (VIE) related to Clark County Industrial Development Revenue Bonds. Southwest's request would result in a decrease in revenues of \$8,563,714 for the DEAA and a decrease in revenues of \$786,427 for the VIE Recovery mechanism. Southwest is also requesting authority to adjust other gas-related charges applicable to transportation customer service. **Evidentiary hearings will be held beginning Tuesday, September 30, 2008 at 10 a.m. at the PUCN Offices, 101 Convention Center Drive, Hearing Room A, Las Vegas, NV.** Video conference of the hearing will be available at the PUCN Offices, 1150 East William Street, Hearing Room A, Carson City, NV. The hearing may continue from day-to-day as necessary.

The following rate changes represent averages for each customer class. Actual changes to individual customers' bills will vary. The PUCN may set rates that are higher or lower than those proposed by Southwest or contained in this notice.

| SOUTHERN NEVADA DIVISION <i>Increase/(Decrease)</i> | | Deferred Energy Accounting Adjustment | | Variable Interest Expense Adjustment | | TOTAL | |
|--|-----------|---------------------------------------|-------------------|--------------------------------------|-------------------|---------------|-------------------|
| | | Dollar Change | Percentage Change | Dollar Change | Percentage Change | Dollar Change | Percentage Change |
| Single-Family Residential Gas Service | SG-1 | \$ (0.93) | (1.76%) | \$ (0.07) | (0.13%) | \$ (1.00) | (1.89%) |
| Multi-Family Apartment Residential Gas Service | SG-2 | \$ (0.53) | (1.58%) | \$ (0.04) | (0.11%) | \$ (0.57) | (1.69%) |
| General Gas Service | | | | | | | |
| Small | SG-5 (S) | \$ (0.73) | (1.30%) | \$ (0.05) | (0.09%) | \$ (0.78) | (1.39%) |
| Medium | SG-5 (M) | \$ (4.77) | (1.95%) | \$ (0.35) | (0.14%) | \$ (5.12) | (2.09%) |
| Large | SG-5 (L) | \$ (37.53) | (2.14%) | \$ (2.76) | (0.16%) | \$ (40.29) | (2.30%) |
| Transportation Eligible | SG-5 (TE) | \$ (955.60) | (1.86%) | \$ (70.30) | (0.13%) | \$(1,025.90) | (1.99%) |
| Master Metered Mobile Home Park Gas Service | SG-7 | \$ (148.80) | (2.16%) | \$ (10.95) | (0.16%) | \$ (159.75) | (2.32%) |
| Air Conditioning Gas Service | SG-9 | \$ (17.79) | (2.55%) | \$ (1.31) | (0.19%) | \$ (19.10) | (2.74%) |
| Water Pumping Gas Service | SG-13 | \$ (806.24) | (2.55%) | \$ (59.31) | (0.19%) | \$ (865.55) | (2.74%) |
| Gas Service for Compression on Customer Premises | SG-21 | \$ (123.06) | (2.43%) | \$ (9.05) | (0.18%) | \$ (132.11) | (2.61%) |
| Street and Outdoor Lighting Gas Service | SG-33 | \$ (4.57) | (2.20%) | \$ (0.34) | (0.16%) | \$ (4.91) | (2.36%) |

The PUCN has scheduled a Consumer Session on Southwest's Deferred Energy Account Adjustment and Variable Interest Expense Recovery mechanism filing as follows:

Thursday, September 11, 2008 at 6 p.m. at Sahara West Library, 9600 West Sahara Avenue, Las Vegas, Nevada.

The Consumer Session is scheduled to provide Southwest's customers with an opportunity to comment on the Company's annual filing. Southwest employees will also be on hand to discuss the filing and distribute energy conservation materials.

The Company's application is available for public review at any Southwest office, or the offices of the PUCN. Interested and affected persons may file comments in writing at either of the addresses below.

Public Utilities Commission of Nevada
1150 East William Street
Carson City, NV 89701

Public Utilities Commission of Nevada
101 Convention Center Drive, Suite 250
Las Vegas, NV 89109