



SOUTHWEST GAS CORPORATION

IMPORTANT INFORMATION ABOUT FUTURE GAS RATES FOR SOUTH LAKE TAHOE, CALIFORNIA CUSTOMERS

On December 21, 2007, Southwest Gas Corporation (Southwest) filed with the California Public Utilities Commission (Commission) an application requesting authority to change rates and charges for natural gas service in the California counties of San Bernardino, Placer, El Dorado, and Nevada for the Test Year 2009 and post-test years 2010 through 2013.

If this request is approved by the Commission, the proposed rate changes will take effect on January 1, 2009 and thereafter on January 1, 2010 through 2013.

Southwest is requesting authority to change rates and charges for natural gas service for its three rate jurisdictions. Southwest's three California rate jurisdictions are: (1) Southern California; (2) Northern California; and (3) South Lake Tahoe. The Southern California rate jurisdiction is comprised of various communities and areas in San Bernardino County. The Northern California rate jurisdiction covers communities and areas in Placer, El Dorado and Nevada Counties and the South Lake Tahoe rate jurisdiction is entirely within El Dorado County.

For the South Lake Tahoe rate jurisdiction, Southwest is requesting an increase of \$2.1 million in 2009 authorized annual margin. If Southwest's request is granted, residential customers will see an annual average increase in their bills of 12.5 percent in the South Lake Tahoe rate jurisdiction. The proposed increases for all customer classes are shown below. Southwest is also requesting post-test year changes to rates and charges for 2010 through 2013. Southwest has filed its request for rate relief to recover the reasonable costs Southwest will incur to own and operate the facilities used to distribute natural gas to its customers and for Southwest to fulfill its customer service obligations.

Public Hearings

Before acting upon Southwest's request, the Commission will hold public participation hearings to afford the public the opportunity to express its views concerning the proposed rate changes. Southwest will notify its customers of the dates, times and locations of these hearings by including inserts in customer bills. Notice of the public participation hearing dates, times and locations will also be published in general circulation newspapers throughout Southwest's California service areas. The public may also submit comments to the Commission by writing to The Public Advisor at either of the following addresses:

San Francisco Office (Headquarters) -or-
505 Van Ness Avenue, Room 2103
San Francisco, California 94102
415-703-2074
(toll free) 1-866-849-8390
public.advisor@cpuc.ca.gov

Los Angeles Office
320 West 4th Street, Suite 500
Los Angeles, California 90013
213-576-7055
(toll free) 1-866-849-8391
public.advisor.la@cpuc.ca.gov

TTY for both offices may be reached at 415-703-5282/toll free 1-866-836-7825.
Please mention that the comments concern Application 07-12-022.

The Commission will hold formal evidentiary hearings to receive the sworn testimony of the parties to the case. At the hearings, the Commission will receive the testimony of Southwest's witnesses and parties who have intervened in the proceedings, including the Commission's Division of Ratepayer Advocates (DRA). The DRA consists of engineers, accountants, economists and attorneys who independently evaluate the proposals of utilities for rate changes and present their analyses and recommendations for the Commission at evidentiary hearings. The Commission can accept, reject or modify the recommendations of any of the parties.

Further Information

If you would like information about how to participate in the formal evidentiary hearings, contact The Public Advisor Office at one of the addresses listed above. Please mention that you are inquiring about Application 07-12-022 of Southwest Gas Corporation.

A complete copy of this application may be inspected at the following Southwest offices: 10682 Pioneer Trail, Truckee; 218 Incline Court, Incline Village, Nevada; or 400 Eagle Station Lane, Carson City, Nevada. A copy of the application may also be inspected at either of the Commission's offices listed above.

If you have any questions about Southwest's application, please contact Roger C. Montgomery, Vice President/Pricing, Southwest Gas Corporation, P.O. Box 98510, Las Vegas, Nevada 89193-8510.

Proposed Changes by Customer Class

<u>Customer Class</u>	<u>Average Monthly Bill Increase</u>	<u>Percentage Increase</u>
Primary Residential	\$ 9.47	12.5%
Secondary Residential	4.49	6.3
Master-Metered	78.12	15.0
Master-Metered (Submetered)	64.35	7.7
Core General	21.75	9.3
Core General Transportation	806.97	3.0
Core Motor Vehicle	38.33	0.6

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