



SOUTHWEST GAS CORPORATION

NOTIFICATION OF IMPORTANT INFORMATION ABOUT FUTURE GAS RATES FOR SOUTHERN CALIFORNIA CUSTOMERS OF SOUTHWEST GAS CORPORATION

NOTICE OF EVIDENTIARY HEARINGS IN APPLICATION (A.) 07-12-022

On December 21, 2007, Southwest Gas Corporation (Southwest) filed an application with the California Public Utilities Commission (CPUC) requesting authorization to change rates and charges for natural gas service effective January 1, 2009. For the Southern California rate jurisdiction, Southwest is requesting an increase of \$7.1 million. If the CPUC grants Southwest's request, residential customers will see an annual average increase in their bills of 2.0 percent beginning on January 1, 2009. 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. The proposed increases for all customer classes are reflected in the table below.

PROPOSED CHANGES BY CUSTOMER CLASS

<u>Customer Class</u>	<u>Average Monthly Bill Increase/(Decrease)</u>	<u>Proposed Percentage Increase/(Decrease)</u>
Primary Residential	\$ 1.33	2.0%
Secondary Residential	\$ 1.13	1.7%
Master-Metered	\$ (15.81)	(1.6%)
Master-Metered (Submetered)	\$ 85.82	2.8%
Core General	\$ 3.49	1.5%
Noncore General	\$ 273.49	3.1%
Core Motor Vehicle	\$ 40.94	0.8%
Core Internal Combustion Engine	\$ 17.63	1.0%
Small Electric Power Generation	\$ 0.00	0.0%

EVIDENTIARY HEARINGS

The CPUC may hold formal evidentiary hearings whereby the formal parties of record provide testimony and are

subject to cross examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record can participate. Court reporters will prepare a written record of the evidentiary hearings. The Division of Ratepayer Advocates (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 CPUC at evidentiary hearings. Once hearings are completed, the ALJ will consider all of the evidence presented and prepare a draft decision. The CPUC may approve the draft decision, an alternate decision prepared by a CPUC Commissioner, or a modification of either. The evidentiary hearings in A.07-12-022 will begin at 10:00 a.m. on August 18, 2008 at the CPUC's Headquarter Offices located at 505 Van Ness Avenue, San Francisco, California 94102.

FURTHER INFORMATION

If you would like more information about the formal evidentiary hearings, please call or write to:

Public Advisor's Office	1-415-703-2074
California Public Utilities Commission	Toll free 1-866-849-8390
San Francisco Office (Headquarters)	TTY 1-415-703-5282
505 Van Ness Avenue, Room 2103	TTY toll free 1-866-836-7825
San Francisco, California 94102	<i>public.advisor@cpuc.ca.gov</i>

When writing, e-mailing or calling the Public Advisor, please mention that you are inquiring about A.07-12-022 of Southwest Gas Corporation.

A complete copy of this application may be inspected at the following Southwest offices: 13471 Mariposa Road, Victorville; 40844 Big Bear Boulevard, Big Bear Lake; or 1705 Langford Drive, Bullhead City, Arizona (for Needles customers). A copy of the application may also be inspected at the CPUC's Headquarter Office listed below:

San Francisco Office
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102

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.