



**PUBLIC NOTICE OF CONSUMER SESSION AND HEARINGS
GENERAL RATE APPLICATION AND
ANNUAL DEFERRED ENERGY ACCOUNT ADJUSTMENT (DEAA)
DOCKET NO. 09-04003 AND DOCKET NO. 09-05001**

Southwest Gas Corporation (Southwest) has filed two different applications with the Public Utilities Commission of Nevada (Commission) requesting approval to adjust its rates and charges. The first is a general rate application that requests authorization to adjust rates and charges to reflect the cost of providing service to all customer classes in Northern Nevada. The Commission has identified this matter as Docket No. 09-04003. The proposed annual revenue increase for the Northern Nevada Division is approximately \$1.7 million or 1.4 percent over existing total revenues.

The second application requests authorization to adjust customers' rates to reflect changes in the cost of gas that Southwest purchases on behalf of its customers. In its Northern Nevada Division, Southwest is requesting authorization to increase the Deferred Energy Account Adjustment (DEAA) to a charge of \$0.01691 per therm. If approved, Southwest's request would result in an increase in revenues of approximately \$9.4 million.

The Commission has scheduled a **Consumer Session** to provide Southwest's customers an opportunity to comment on both of Southwest's pending applications. The Consumer Session is scheduled to commence **July 27, 2009, at 6:00 p.m.** The Consumer Session will take place at the Commission's offices located at **1150 East William Street, Hearing Room A, Carson City, Nevada 89701**. Southwest employees will be in attendance to discuss the filings and answer any questions. Additional information regarding each of Southwest's pending applications are set forth below.

General Rate Application (Docket No. 09-04003):

Southwest filed its general rate application with the Commission for approval to adjust its rates and charges to reflect the cost of providing natural gas service to all customer classes in Northern Nevada. The proposed annual revenue increase for the Northern Nevada Division is \$1,662,245 million or 1.4 percent over existing total revenues. Southwest's request for increased revenues reflects additional costs of utility operations, not including gas costs, experienced since general rates were last changed in 2004.

Two of the primary increased costs of operations are: (1) changes in Southwest's cost of capital; and (2) increases in expenses and capital investments over the past five years. Southwest is also proposing a General Revenues Adjustment mechanism that will ensure Southwest only collects the Commission-authorized general rate revenue per customer from residential, small general, medium general and large general customers. Approval of the General Revenues Adjustment mechanism could result in either increases or decreases in future customer bills.

| NORTHERN NEVADA DIVISION | | | | |
|--|----------------------|----------------|------------------------------|-------------|
| CLASS OF CUSTOMER | Monthly Average Bill | | Proposed Increase/(Decrease) | |
| | Present Rates | Proposed Rates | Amount/Month | Percent (%) |
| Single-Family Residential Gas Service | \$ 84.66 | \$ 85.96 | \$ 1.30 | 1.54% |
| Multi-Family Apartment Residential Gas Service | \$ 45.65 | \$ 46.51 | \$ 0.86 | 1.88% |
| Air Conditioning Gas Service | \$ 592.39 | \$ 595.17 | \$ 2.78 | 0.47% |
| General Gas Service | | | | |
| Small | \$ 58.02 | \$ 59.51 | \$ 1.49 | 2.57% |
| Medium | \$ 222.91 | \$ 225.11 | \$ 2.20 | 0.99% |
| Large | \$ 1,861.03 | \$ 1,887.88 | \$ 26.85 | 1.44% |
| Transportation Eligible | \$ 20,692.79 | \$ 20,902.71 | \$ 209.92 | 1.01% |
| Master Metered Mobile Home Park Gas Service | \$ 6,050.88 | \$ 5,868.83 | \$ (182.05) | (3.01%) |
| Street and Outdoor Lighting Gas Service | \$ 31.63 | \$ 32.36 | \$ 0.73 | 2.31% |
| Water Pumping Gas Service | \$ 132.19 | \$ 133.97 | \$ 1.78 | 1.35% |
| Small Electric Generation Gas Service | \$ 1,336.33 | \$ 1,351.92 | \$ 15.59 | 1.17% |
| Gas Service for Compression on Customer Premises | \$ 24.92 | \$ 24.92 | \$ 0.00 | 0.00% |

The preceding table provides the proposed monthly average bill and proposed change in average bill by class of customer as a result of Southwest's general rate application. These changes represent averages for each customer class. Actual changes to individual customer bills will vary. The Commission may set rates that are higher or lower than those contained in Southwest's request.

The evidentiary public hearings on Southwest's general rate application are scheduled to commence **September 8, 2009, at 10:00 a.m.** The hearings will take place at the Public Utilities Commission of Nevada Office located at **101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109**. Written comments may be sent to the Commission at either of its offices and should reference Docket No. 09-04003. Southwest's filing is available for review by the public during normal business hours at Southwest's business offices or at the Commission's offices at 1150 East William Street, Carson City, Nevada 89701 and at 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.

Cost of Gas Application (Docket No. 09-05001):

On May 1, 2009, Southwest filed an application requesting authorization from the Commission to adjust customers' rates to reflect changes in the cost of gas that it purchases on behalf of its customers. In its Northern Nevada Division, Southwest is requesting authorization to increase the DEAA to a charge of \$0.01691 per therm. If approved, Southwest's request would result in an increase in revenues of \$9,481,873. Southwest is also requesting authority to adjust other gas related charges applicable to transportation customer service. Finally, Southwest is proposing to establish a Tariff provision, the Annual Rate Adjustment, which would establish the Test Period, the filing date, and the effective date for adjusting the DEAA rates in Northern Nevada each year.

The following table provides the proposed dollar change per bill and proposed percentage change per bill by class of customer as a result of Southwest's DEAA application. These changes represent averages for each customer class. Actual changes to individual customer bills will vary. The Commission may set rates that are higher or lower than those contained in Southwest's request.

| NORTHERN NEVADA DIVISION | | Deferred Energy Account Adjustment (DEAA) Rate Change <i>Increase/(Decrease)</i> | |
|--|------------|---|-----------------------|
| | | Dollar Change | Percentage (%) Change |
| RATE SCHEDULE | | | |
| Single-Family Residential Gas Service | NG-10 | \$ 6.42 | 7.80% |
| Multi-Family Apartment Residential Gas Service | NG-11 | \$ 3.18 | 7.12% |
| Air Conditioning Gas Service | NG-18 | \$ 64.45 | 10.74% |
| General Gas Service | | | |
| Small | NG-22 (S) | \$ 2.76 | 4.81% |
| Medium | NG-22 (M) | \$ 17.69 | 8.01% |
| Large | NG-22 (L) | \$ 175.62 | 9.44% |
| Transportation Eligible | NG-22 (TE) | \$ 2,970.91 | 7.99% |
| Master Metered Mobile Home Park Gas Service | NG-24 | \$ 557.38 | 9.60% |
| Street and Outdoor Lighting Gas Service | NG-28 | \$ 2.87 | 8.70% |
| Water Pumping Gas Service | NG-30 | \$ 10.12 | 7.16% |
| Small Electric Generation Gas Service | NG-34 | \$ 117.39 | 10.32% |
| Gas Service for Compression on Customer Premises | NG-36 | \$ 0.13 | 0.53% |

The evidentiary public hearings on Southwest's DEAA application are scheduled to commence **September 17, 2009, at 10:00 a.m.** The hearings will take place at the Public Utilities Commission of Nevada Office located at **101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109**. Video conference of the hearing will be available at the PUCN Offices, 1150 East William Street, Hearing Room A, Carson City, Nevada. The hearing may continue from day-to-day as necessary. Written comments may be sent to the Commission at either of its offices and should reference Docket No. 09-05001. Southwest's filing is available for review by the public during normal business hours at Southwest's business offices or at the Commission's offices at 1150 East William Street, Carson City, Nevada 89701 and at 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.