

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 24, 2007

Advice Letter: 787

Roger C. Montgomery, Vice President/Pricing
Regulatory Affairs and Energy Resources
Southwest Gas Corporation
P O Box 98510
Las Vegas, NV 89193-8510

Subject: To Update Procurement Charges Applicable to Schedule No. GCP for
Core Customers and the Transportation Franchise Fee (TFF) Surcharges
Applicable to Core and NonCore Customers in the Southern and Northern
California Divisions and the Gas Cost Procurement in the South Lake
Tahoe District

Dear Mr. Montgomery:

Advice Letter 787 is effective October 7, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division

STATE

OCT - 4 2007



REGULATORY DIVISION
SOUTHWEST GAS CORPORATION

PLEASE STAMP AND RETURN IN
THE ENCLOSED POSTAGE-PAID
SELF-ADDRESSED ENVELOPE

07 OCT -2 AM 10:22

Roger C. Montgomery, Vice President/Pricing

September 28, 2007

California Public Utilities Commission
Energy Division
Attention: Sean Gallagher, Director
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 787

Dear Mr. Gallagher:

Enclosed herewith are five (5) copies of Southwest Gas Corporation's Advice Letter No. 787, together with: 1) California Gas Tariff Sheet Nos. 6550-G through 6558-G and 2) California - South Lake Tahoe Gas Tariff Sheet Nos. 25 and 26.

Sincerely,

Roger C. Montgomery

RCM:pr
Enclosures



SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

September 28, 2007

California Public Utilities Commission
Energy Division
Attention: Sean Gallagher, Director
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 787

Dear Mr. Gallagher:

Enclosed herewith are five (5) copies of Southwest Gas Corporation's Advice Letter No. 787, together with: 1) California Gas Tariff Sheet Nos. 6550-G through 6558-G and 2) California – South Lake Tahoe Gas Tariff Sheet Nos. 25 and 26.

Sincerely,

Roger C. Montgomery

RCM:pr
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 787

September 28, 2007

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest) (U 905 G) tenders herewith for filing the following tariff sheets:

California Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
6550-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	6541-G
6551-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules (<i>Continued</i>)	6542-G
6552-G	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules (<i>Continued</i>)	6543-G
6553-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	6544-G
6554-G	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules (<i>Continued</i>)	6545-G
6555-G	Schedule No. GCP – Gas Procurement For Core Customers	6546-G
6556-G	Table of Contents (<i>Continued</i>)	6547-G
6557-G	Table of Contents (<i>Continued</i>)	6548-G
6558-G	Table of Contents	6549-G

California – South Lake Tahoe Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Thirty-Second Revised Sheet No. 25	Statement of Rates – South Lake Tahoe District	Thirty-First Revised Sheet No. 25



California – South Lake Tahoe Gas Tariff (*Continued*)

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
Thirty-Second Revised Sheet No. 26	Statement of Rates – South Lake Tahoe District	Thirty-First Revised Sheet No. 26

The purpose of this routine monthly filing is to revise the above listed tariff sheets by updating the: procurement charges applicable to Schedule No. GCP, Gas Procurement for Core Customers, in compliance with the Commission's letter dated October 20, 2000, approving Southwest's Advice Letter No. 619; and the Transportation Franchise Fee (TFF) Surcharge applicable to core and noncore customers who secure their own sources of supply, pursuant to Public Utilities Code, Sections 6350 to 6354, *et seq.*

For core sales customers, the October 7, 2007 cost of gas, including adjustment for franchises and uncollectibles, is \$0.53818 per therm for Southwest's Southern California Division and \$0.31336 per therm for Southwest's Northern California Division and South Lake Tahoe District.

For Southwest's Southern California Division, the TFF Surcharge rate is \$0.00736 per therm. For Southwest's Northern California Division and South Lake Tahoe District, the TFF Surcharge rate is \$0.00534 per therm.

Southwest believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order 96-B. In accordance with Advice Letter No. 626, in which the Commission authorized Southwest to make its monthly gas cost adjustment effective between the first and seventh calendar day of each month, Southwest respectfully requests that the tariff sheets filed herein be made effective October 7, 2007.

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the filing. The protest should set forth the grounds upon which it is based and should be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

Investigation, Monitoring & Compliance Program Manager
California Public Utilities Commission, Energy Division
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: 415-703-2200

Copies should also be mailed to the attention of Director, Energy Division, Room 4004 at the same address as above, and mailed and faxed to:



Advice Letter No. 787
Page 3
September 28, 2007

Mr. John P. Hester, Senior Vice President
Regulatory Affairs and Energy Resources
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Facsimile: 702-876-7037

In accordance with General Order 96-B, General Rule 4.3, Southwest is mailing copies of this advice letter and related tariff sheets to the utilities and interested parties shown on the attached list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By 
Roger C. Montgomery

Attachments

DISTRIBUTION LIST

Advice Letter No. 787

In Conformance with G.O. 96-B, General Rule 4.3

Southern California Edison Company

Pacific Gas & Electric Company

Sierra Pacific Power Company

San Diego Gas & Electric Company

Southern California Gas Company

Southern California Water Company

R. Thomas Beach

Duane Morris, LLP

Director/Division of Ratepayer Advocates

Canceling

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Upstream Intrastate Charges		Interstate Reservation Charge	Balancing Account Adjustments		Subtotal Gas Usage Rate	Other Surcharges CPUC	PPP [4]	Gas Cost	Effective Sales Rate
		Storage	Variable		CFCAM [3]	ITCAM					
GS-10 — Residential Gas Service											
Basic Service Charge	\$ 5.00									\$ 5.00	
Cost per Therm											
Baseline Quantities	\$ 0.50280	\$ 0.01762	\$ 0.03670	\$ 0.01893	\$ 0.03296	\$ 0.00848	\$ 0.61749	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.28669
Tier II	0.65208	0.01762	0.03670	0.01893	0.03296	0.00848	0.76677	0.00068	0.13034	0.53818	1.43597
GS-11 — Residential Air-Conditioning Gas Service											
Basic Service Charge	\$ 5.00									\$ 5.00	
Cost per Therm											
Tier I	\$ 0.50280	\$ 0.01842	\$ 0.03670	\$ 0.02025	\$ 0.03296	\$ 0.00848	\$ 0.61961	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.28881
Tier II	0.65208	0.01842	0.03670	0.02025	0.03296	0.00848	0.76889	0.00068	0.13034	0.53818	1.43809
Air-Conditioning	0.32804	0.01842	0.03670	0.02025	0.03296	0.00848	0.44285	0.00068	0.13034	0.53818	1.11205
GS-12 — CARE Residential Gas Service											
Basic Service Charge	\$ 4.00									\$ 4.00	
Cost per Therm											
Baseline Quantities	\$ 0.27167	\$ 0.01762	\$ 0.03670	\$ 0.01893	\$ 0.03296	\$ 0.00848	\$ 0.38636	\$ 0.00068	\$ 0.00880	\$ 0.53818	\$ 0.99402
Tier II	0.39109	0.01762	0.03670	0.01893	0.03296	0.00848	0.50578	0.00068	0.00880	0.53818	1.05344
GS-15 — Secondary Residential Gas Service											
Basic Service Charge	\$ 6.00									\$ 6.00	
Cost per Therm											
Baseline Quantities	\$ 0.78169	\$ 0.01779	\$ 0.03670	\$ 0.01911	\$ 0.03296	\$ 0.00848	\$ 0.89673	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.56593
Tier II											
GS-20 — Multi-Family Master-Metered Gas Service											
Basic Service Charge	\$ 25.00									\$ 25.00	
Cost per Therm											
Baseline Quantities	\$ 0.50013	\$ 0.01881	\$ 0.03670	\$ 0.02041	\$ 0.03296	\$ 0.00848	\$ 0.61749	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.28669
Tier II	0.64941	0.01881	0.03670	0.02041	0.03296	0.00848	0.76677	0.00068	0.13034	0.53818	1.43597
GS-25 — Multi-Family Master-Metered Gas Service — Submetered											
Basic Service Charge	\$ 25.00									\$ 25.00	
Cost per Therm											
Baseline Quantities	\$ 0.37146	\$ 0.01881	\$ 0.03670	\$ 0.02041	\$ 0.03296	\$ 0.00848	\$ 0.48882	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.15802
Tier II	0.64941	0.01881	0.03670	0.02041	0.03296	0.00848	0.76677	0.00068	0.13034	0.53818	1.43597
GS-30 — Street and Outdoor Lighting Gas Service											
Charge per Therm of Rated Capacity	\$ 0.57411	\$ 0.01754	\$ 0.03670	\$ 0.01937	\$ 0.03296	\$ 0.00848	\$ 0.68916	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.35836

Canceling

Revised
Revised

Cal. P.U.C. Sheet No. 6551-G
Cal. P.U.C. Sheet No. 6542-G

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Upstream Intrastate Charges		Interstate Reservation Charge	Balancing Account Adjustments CFCAM [3] NFCAM	ITCAM	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Storage	Variable					CPUC	PPP [4]		
GS-45 — Agricultural Employee Housing and Nonprofit Group Living Facility Gas Service											
Basic Service Charge	\$ 8.80									\$	8.80
Cost per Therm											
Summer (May - October)											
First 100	\$ 0.23654	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.33727	\$ 0.00068	\$ 0.00860	\$ 0.53818	\$ 0.88493
Next 500	0.14422	0.00152	0.03670	0.02107	0.03296	0.00848	0.24495	0.00068	0.00860	0.53818	0.79261
Next 2,400	0.06422	0.00152	0.03670	0.02107	0.03296	0.00848	0.16495	0.00068	0.00860	0.53818	0.71261
Over 3,000	(0.04445)	0.00152	0.03670	0.02107	0.03296	0.00848	0.05628	0.00068	0.00860	0.53818	0.60394
Winter (November - April)											
First 100	\$ 0.23203	\$ 0.02406	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.35530	\$ 0.00068	\$ 0.00860	\$ 0.53818	\$ 0.90296
Next 500	0.13971	0.02406	0.03670	0.02107	0.03296	0.00848	0.26298	0.00068	0.00860	0.53818	0.81064
Next 2,400	0.05971	0.02406	0.03670	0.02107	0.03296	0.00848	0.18298	0.00068	0.00860	0.53818	0.73064
Over 3,000	(0.04895)	0.02406	0.03670	0.02107	0.03296	0.00848	0.07432	0.00068	0.00860	0.53818	0.62198
GS-40 — Core General Gas Service											
Basic Service Charge	\$ 11.00									\$	11.00
Cost per Therm											
Summer (May - October)											
First 100	\$ 0.45540	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.55613	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.22593
Next 500	0.34000	0.00152	0.03670	0.02107	0.03296	0.00848	0.44073	0.00068	0.13034	0.53818	1.10993
Next 2,400	0.24000	0.00152	0.03670	0.02107	0.03296	0.00848	0.34073	0.00068	0.13034	0.53818	1.00993
Over 3,000	0.10417	0.00152	0.03670	0.02107	0.03296	0.00848	0.20490	0.00068	0.13034	0.53818	0.87410
Winter (November - April)											
First 100	\$ 0.45540	\$ 0.02406	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.57867	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.24787
Next 500	0.34000	0.02406	0.03670	0.02107	0.03296	0.00848	0.46327	0.00068	0.13034	0.53818	1.13247
Next 2,400	0.24000	0.02406	0.03670	0.02107	0.03296	0.00848	0.36327	0.00068	0.13034	0.53818	1.03247
Over 3,000	0.10417	0.02406	0.03670	0.02107	0.03296	0.00848	0.22744	0.00068	0.13034	0.53818	0.89664
GS-50 — Core Natural Gas Service for Motor Vehicles											
Basic Service Charge	\$ 25.00									\$	25.00
Cost per Therm											
Summer (May - October)											
First 100	\$ 0.09320	\$ 0.00079	\$ 0.03670	\$ 0.02952	\$ 0.03296	\$ 0.00848	\$ 0.20165	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 0.87085
Next 500	0.09320	0.02980	0.03670	0.02952	0.03296	0.00848	0.23066	0.00068	0.13034	0.53818	0.89986
Next 2,400											
Over 3,000											
GS-55 — Core Industrial Gas Service											
Basic Service Charge	\$ 11.00									\$	11.00
Cost per Therm											
Summer (May - October)											
First 100	\$ 0.45540	\$ 0.00127	\$ 0.03670	\$ 0.01892	\$ 0.03296	\$ 0.00848	\$ 0.55373	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.22293
Next 500	0.34000	0.00127	0.03670	0.01892	0.03296	0.00848	0.43833	0.00068	0.13034	0.53818	1.10753
Next 2,400	0.24000	0.00127	0.03670	0.01892	0.03296	0.00848	0.33833	0.00068	0.13034	0.53818	1.00753
Over 3,000	0.10417	0.00127	0.03670	0.01892	0.03296	0.00848	0.20250	0.00068	0.13034	0.53818	0.87170
Winter (November - April)											
First 100	\$ 0.45540	\$ 0.02830	\$ 0.03670	\$ 0.01892	\$ 0.03296	\$ 0.00848	\$ 0.58075	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.24996
Next 500	0.34000	0.02830	0.03670	0.01892	0.03296	0.00848	0.46556	0.00068	0.13034	0.53818	1.13456
Next 2,400	0.24000	0.02830	0.03670	0.01892	0.03296	0.00848	0.36556	0.00068	0.13034	0.53818	1.03456
Over 3,000	0.10417	0.02830	0.03670	0.01892	0.03296	0.00848	0.22953	0.00068	0.13034	0.53818	0.89873

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Upstream Intra-state Charges	Storage	Variable	Interstate Reservation Charge	Balancing Account Adjustments CFCAM [3] NFCAM	ITCAM	Subtotal Gas Usage Rate	Other Surcharges CPUC	PPP [4]	Gas Cost	Effective Sales Rate
GS-60 — Core Internal Combustion Engine Gas Service												
Basic Service Charge	\$ 25.00											\$ 25.00
Cost per Therm												
Summer (May - October)	\$ 0.13341	\$ 0.00103	\$ 0.03670	\$ 0.01807	\$ 0.03296	\$ 0.00848	\$ 0.23065	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 0.89985	\$ 0.93466
Winter (November - April)	0.13341	0.03604	0.03670	0.01807	0.03296	0.00848	0.26566	0.00068	0.13034	0.53818	0.89985	0.93466
GS-66 — Small Electric Power Generation Gas Service												
Basic Service Charge	\$ 25.00											\$ 25.00
Cost per Therm												
Summer (May - October)	\$ 0.09952	\$ 0.00123	\$ 0.03670	\$ 0.01807	\$ 0.03296	\$ 0.00848	\$ 0.19696	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 0.73582	\$ 0.76507
Winter (November - April)	0.09952	0.03048	0.03670	0.01807	0.03296	0.00848	0.22621	0.00068	0.13034	0.53818	0.73582	0.76507
GS-70 — Non-Core General Gas Transportation Service												
Basic Service Charge	\$ 100.00											\$ 100.00
Cost per Therm												
Summer (May - October)	\$ 0.08969	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ (0.00393)	\$ 0.00848	\$ 0.13094	\$ 0.00068	\$ 0.13034	\$ 0.26196	\$ 0.26196	\$ 0.26196
Winter (November - April)	0.08969	0.03670	0.03670	0.02107	(0.00393)	0.00848	0.13094	0.00068	0.13034	0.26196	0.26196	0.26196
GSR — Sale for Resale Natural Gas Service												
Basic Service Charge	\$ 11.00											\$ 11.00
Transportation Service Charge	\$ 780.00											
Cost per Therm												
Summer (May - October)	\$ 0.45540	\$ 0.00152	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.55613	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.22533	\$ 1.10993
Next 500	0.34000	0.00152	0.03670	0.02107	0.03296	0.00848	0.44073	0.00068	0.13034	0.53818	1.00993	1.00993
Next 2,400	0.24000	0.00152	0.03670	0.02107	0.03296	0.00848	0.34073	0.00068	0.13034	0.53818	0.87410	0.87410
Over 3,000	0.10417	0.00152	0.03670	0.02107	0.03296	0.00848	0.20450	0.00068	0.13034	0.53818	0.74787	0.74787
Winter (November - April)	\$ 0.45540	\$ 0.02406	\$ 0.03670	\$ 0.02107	\$ 0.03296	\$ 0.00848	\$ 0.57667	\$ 0.00068	\$ 0.13034	\$ 0.53818	\$ 1.24787	\$ 1.13247
Next 500	0.34000	0.02406	0.03670	0.02107	0.03296	0.00848	0.46327	0.00068	0.13034	0.53818	1.03247	1.03247
Next 2,400	0.24000	0.02406	0.03670	0.02107	0.03296	0.00848	0.36327	0.00068	0.13034	0.53818	0.89664	0.89664
Over 3,000	0.10417	0.02406	0.03670	0.02107	0.03296	0.00848	0.22744	0.00068	0.13034	0.53818	0.76507	0.76507
Transportation Franchise Fee (TFF) Surcharge Provision												\$ 0.00736
TFF Surcharge per Therm												
MHPS — Master-Metered Mobile Home Park Safety Inspection Provision												\$ 0.21000
MHPS Surcharge per Space per Month												

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$0.00685 per therm for distribution system shrinkage. The PCA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The CFCAM surcharge includes an amount of \$0.0368 per therm related to the difference between Southwest's authorized core margin and recorded revenues intended to recover these costs.

[4] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes \$.00134 per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2] [3] [4]

Schedule No. and Type of Charge	Upstream Interstate Charges		Balancing Acct. Adj. OFCAM [5] NFCAM	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
	Reservation	Storage			CPUC	PPP [6]		
GN-10 — Residential Gas Service								
Basic Service Charge								5.00
Cost per Therm								
Baseline Quantities	0.61318	0.03094	0.01985	0.83454	0.00068	0.01957	0.31336	1.16815
Tier II	0.71541	0.03094	0.01985	0.93677	0.00068	0.01957	0.31336	1.27038
GN-12 — CARE Residential Gas Service								
Basic Service Charge								4.00
Cost per Therm								
Baseline Quantities	0.38360	0.03094	0.01985	0.60496	0.00068	0.00676	0.31336	0.92576
Tier II	0.46538	0.03094	0.01985	0.66674	0.00068	0.00676	0.31336	1.00754
GN-15 — Secondary Residential Gas Service								
Basic Service Charge								6.00
Cost per Therm								
Baseline Quantities	0.76091	0.03101	0.01985	0.99271	0.00068	0.01957	0.31336	1.31632
GN-20 — Multi-Family Master-Metered Gas Service								
Basic Service Charge								25.00
Cost per Therm								
Baseline Quantities	0.61760	0.03026	0.01985	0.83454	0.00068	0.01957	0.31336	1.16815
Tier II	0.71983	0.03026	0.01985	0.93677	0.00068	0.01957	0.31336	1.27038
GN-25 — Multi-Family Master-Metered Gas Service — Submetered								
Basic Service Charge								25.00
Cost per Therm								
Baseline Quantities	0.50079	0.03026	0.01985	0.71773	0.00068	0.01957	0.31336	1.05134
Tier II	0.71983	0.03026	0.01985	0.93677	0.00068	0.01957	0.31336	1.27038
GN-30 — Street and Outdoor Lighting Gas Service								
Charge per Therm of Rated Capacity	0.72306	0.03069	0.01985	0.94280	0.00068	0.01957	0.31336	1.27641
GN-35 — Agricultural Employee Housing and Nonprofit Group Living Facility Gas Service								
Basic Service Charge								8.80
Cost per Therm								
Summer (June - September)	0.27225	0.00000	0.01985	0.45762	0.00068	0.00676	0.31336	0.77842
First 100	0.19225	0.00000	0.01985	0.37762	0.00068	0.00676	0.31336	0.69842
Next 500	0.16552	0.00000	0.01985	0.30402	0.00068	0.00676	0.31336	0.62482
Next 2,400	0.16552	0.00000	0.01985	0.19972	0.00068	0.00676	0.31336	0.52052
Over 3,000	0.16552	0.00000	0.01985	0.48786	0.00068	0.00676	0.31336	0.80866
Winter (October - May)	0.26469	0.03780	0.01985	0.40786	0.00068	0.00676	0.31336	0.72866
First 100	0.18469	0.03780	0.01985	0.33426	0.00068	0.00676	0.31336	0.65506
Next 500	0.11109	0.03780	0.01985	0.22996	0.00068	0.00676	0.31336	0.55076
Next 2,400	0.00879	0.03780	0.01985		0.00068	0.00676	0.31336	
Over 3,000		0.03780	0.01985		0.00068	0.00676	0.31336	

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2] [3] [4]

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges		Balancing Acct. Adj. CFCAM [5] NFCAM	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Reservation	Storage			CPIUC	PPP [6]		
GN-40 — Core General Gas Service	11.00								\$ 11.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.46500	\$ 0.16552	\$ 0.00000	\$ 0.01985	\$ 0.65037	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.96398
First 100									\$ 0.88398
Next 500	\$ 0.36500	0.16552	0.00000	0.01985	0.55037	0.00068	0.01957	0.31336	0.79198
Next 2,400	\$ 0.27300	0.16552	0.00000	0.01985	0.45637	0.00068	0.01957	0.31336	0.66160
Over 3,000	\$ 0.14262	0.16552	0.00000	0.01985	0.32799	0.00068	0.01957	0.31336	0.52178
Winter (October - May)									
First 100	\$ 0.46500	0.16552	0.03780	0.01985	0.69817	0.00068	0.01957	0.31336	0.92178
Next 500	\$ 0.36500	0.16552	0.03780	0.01985	0.59817	0.00068	0.01957	0.31336	0.82978
Next 2,400	\$ 0.27300	0.16552	0.03780	0.01985	0.49617	0.00068	0.01957	0.31336	0.69940
Over 3,000	\$ 0.14262	0.16552	0.03780	0.01985	0.36579	0.00068	0.01957	0.31336	0.52178
GN-50 — Core Natural Gas Service for Motor Vehicles	25.00								\$ 25.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.06999	\$ 0.13335	\$ 0.00000	\$ 0.01985	\$ 0.22319	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.55680
Winter (October - May)	\$ 0.06999	0.13335	0.03583	0.01985	0.25902	0.00068	0.01957	0.31336	0.59263
GN-60 — Core Internal Combustion Engine Gas Service	25.00								\$ 25.00
Basic Service Charge									
Cost per Therm									
Summer (May - October)	\$ 0.24709	\$ 0.15688	\$ 0.00000	\$ 0.01985	\$ 0.42382	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.75743
Winter (November - April)	\$ 0.24709	0.15688	0.03237	0.01985	0.45619	0.00068	0.01957	0.31336	0.78980
GN-66 — Small Electric Power Generation Gas Service	25.00								\$ 25.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.08413	\$ 0.16552	\$ 0.00000	\$ 0.01985	\$ 0.26950	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.58354
Winter (October - May)	\$ 0.08413	0.16552	0.03780	0.01985	0.30730	0.00068	0.01957	0.31336	0.62134
GN-70 — Noncore General Gas Transportation Service	100.00								\$ 100.00
Basic Service Charge									
Cost per Therm									
Summer (June - September)	\$ 0.08969	\$ 0.08969	\$ 0.00068	\$ 0.01985	\$ 0.08969	\$ 0.00068	\$ 0.01957	\$ 0.10994	\$ 0.10994
Winter (October - May)	\$ 0.08969	0.08969	0.00068	0.01985	0.08969	0.00068	0.01957	0.10994	0.10994
Transportation Franchise Fee (TFF) Surcharge Provision									\$ 0.00534
TFF Surcharge per Therm									

Schedule No. GCP

GAS PROCUREMENT FOR CORE CUSTOMERS

APPLICABILITY

Applicable to core customers who purchase natural gas from the Company. Service under this schedule will be provided in conjunction with the customer's otherwise applicable sales rate schedule.

TERRITORY

Throughout the Company's certificated gas service areas in both its Southern and Northern California Divisions, except as may hereafter be provided.

RATES

The Company shall adjust the Cost of Gas for this schedule monthly to reflect its estimated average gas costs. This revised rate shall become effective between the first and seventh calendar day of each month.

Procurement Charges:

Southern California Division

Cost of Gas	\$.53000
F&U	<u>.00818</u>
Total	\$.53818

Northern California Division including South Lake Tahoe

Cost of Gas	\$.30814
F&U	<u>.00522</u>
Total	\$.31336

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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES [1] [2] [3]

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges		CFCAM	Subtotal Gas Usage Rate	CPUC	PPP [3]	Gas Cost	Effective Sales Rate
		Reservation	Storage						
GT-211 — Permanent Residential Natural Gas Service									
Basic Service Charge	\$ 5.50								\$ 5.50
Cost per Therm	\$ 0.17467	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.26957	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.60318
Baseline Quantities		\$ 0.38724	\$ 0.03092	\$ 0.02044	\$ 0.48860	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.77221
Tier II	0.00000								
GT-211 — Seasonal Residential Natural Gas Service									
Basic Service Charge	\$ 5.50								\$ 5.50
Cost per Therm	\$ 0.00000	\$ 0.38724	\$ 0.03092	\$ 0.02044	\$ 0.48860	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.77221
GT-212 — Limited Income Residential Natural Gas Service									
Basic Service Charge	\$ 4.40								\$ 4.40
Cost per Therm	\$ 0.05908	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.15298	\$ 0.00068	\$ 0.00676	\$ 0.31336	\$ 0.47378
Baseline Quantities	(0.15039)	\$ 0.38724	\$ 0.03092	\$ 0.02044	\$ 0.28821	\$ 0.00068	\$ 0.00676	\$ 0.31336	\$ 0.60901
Tier II									
GT-221 — General Natural Gas Service									
Basic Service Charge	\$ 5.50								\$ 5.50
Cost per Therm	\$ 0.12173	\$ 0.16552	\$ 0.00000	\$ 0.02044	\$ 0.30769	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.64130
Summer	0.12173	0.16552	0.03780	0.02044	0.34549	0.00068	0.01957	0.31336	0.67910
Winter									
GLT-222 — Limited Income General Natural Gas Service									
Basic Service Charge	\$ 4.40								\$ 4.40
Cost per Therm	(0.00248)	\$ 0.16552	\$ 0.00000	\$ 0.02044	\$ 0.18348	\$ 0.00068	\$ 0.00676	\$ 0.31336	\$ 0.50428
Summer	(0.01004)	0.16552	0.03780	0.02044	0.21372	0.00068	0.00676	0.31336	0.53452
Winter									
GST-223 — Multi-Family Natural Gas Service (Submetered) [4]									
Basic Service Charge per Month per Dwelling	\$ 5.50								\$ 5.50
Cost per Therm	\$ 0.17467	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.26957	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.60318
Baseline Quantities	0.00000	\$ 0.38724	\$ 0.03092	\$ 0.02044	\$ 0.48860	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.77221
Tier II									
GMT-224 — Multi-Family Natural Gas Service (Not Submetered)									
Basic Service Charge per Month per Dwelling	\$ 5.50								\$ 5.50
Cost per Therm	\$ 0.17467	\$ 0.04354	\$ 0.03092	\$ 0.02044	\$ 0.26957	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.60318
Baseline Quantities	0.00000	\$ 0.38724	\$ 0.03092	\$ 0.02044	\$ 0.48860	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.77221
Tier II									

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHLAKE TAHOE DISTRICT SCHEDULES 11 [2] [3]
(Continued)

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges	CFCAM	Subtotal Gas Usage Rate	CPUC	PPP [3]	Gas Cost	Effective Sales Rate
GT-244 — Large General Natural Gas Service								
Minimum Annual Charge	\$ 495.00							\$ 495.00
Cost per Therm	\$ 0.12173	\$ 0.16552	\$ 0.00000	\$ 0.30769	\$ 0.00068	\$ 0.01957	\$ 0.31336	\$ 0.64130
Summer								0.67910
Winter								0.67910
GTT-255 — Transportation Service For Customer-Owned Gas								
Minimum Annual Charge	\$ 33,073.00							\$ 33,073.00
Basic Service Charge	\$ 5.50							\$ 5.50
Cost per Therm	\$ 0.12173			\$ 0.12173	\$ 0.00068	\$ 0.01957		\$ 0.14198
Summer								0.14198
Winter								0.14198
Transportation Franchise Fee (TFF) Surcharge Provision								\$ 0.00534
TFF Surcharge per Therm								
MHPS — Master-Metered Mobile Home Park Safety Inspection Provision								\$ 0.21000
MHPS Surcharge per Space per Month								

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate. The volume charge for customer-secured natural gas transportation service will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. PPPS-292. The PPP Surcharge includes <\$0.00082> per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

[4] A discount of \$4.00 per month per occupied dwelling unit will be applied to Schedule GST-223.

**SOUTHWEST GAS CORPORATION
CALCULATION OF MONTHLY CORE PROCUREMENT CHARGES
FOR THE MONTH OF OCTOBER 2007**

Line No.	Description (a)	Amount (b)	Line No.
<u>Southern California</u>			
1	Projected Cost of Gas [1]	\$ 0.55254	1
2	Monthly Account No. 191 Surcharge [2]	(0.02254)	2
3	Subtotal	<u>\$ 0.53000</u>	3
4	Franchise & Uncollectibles @ 1.5437% [3]	<u>0.00818</u>	4
5	Total October Core Procurement Charge	<u><u>\$ 0.53818</u></u>	5
 <u>Northern California and South Lake Tahoe District</u>			
6	Projected Cost of Gas [4]	\$ 0.33620	6
7	Monthly Account No. 191 Surcharge [5]	(0.02806)	7
8	Subtotal	<u>\$ 0.30814</u>	8
9	Franchise & Uncollectibles @ 1.6933% [3]	<u>0.00522</u>	9
10	Total October Core Procurement Charge	<u><u>\$ 0.31336</u></u>	10

[1] Schedule I, Sheet 2.

[2] Schedule I, Sheet 4.

[3] Order Approving Southwest Application 02-02-012 (D.04-03-034).

[4] Schedule I, Sheet 3.

[5] Schedule I, Sheet 5.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF OCTOBER 2007**

Line No.	Description (a)	Dth (b)	Average Cost Per Unit (c)	Amount (d)	Line No.
<u>City Gate Demand and Storage Injections</u>					
1	Total City Gate Demand	481,059			1
2	Projected Imbalance for Storage Injection	-			2
3	Total Demand and Storage Injections	481,059			3
<u>Southern California Basin Gas Purchases</u>					
			[1]		
4	Term Purchases	-	\$ -	\$ -	4
5	First of Month Purchases	178,250	\$ 5.2783	940,862	5
6	Spot Purchases	-	\$ -	-	6
7	In Kind Fuel	(5,116)			7
8	El Paso Variable Transmission	173,134	\$ 0.0196	3,393	8
9	Basin Gas Delivered To California Border			\$ 944,255	9
<u>Southern California Border Gas Purchases</u>					
			[1]		
10	Term Purchases	93,000	\$ 5.4058	502,743	10
11	First of Month Purchases	186,000	\$ 5.6350	1,048,110	11
12	Spot Purchases	28,925	\$ 5.6325	162,919	12
13	Total Border Gas Purchases			\$ 1,713,772	13
<u>Storage Withdrawals</u>					
14	Projected Volume	-	\$ -	\$ -	14
15	O&M Withdrawal Variable Charge	-	\$ -	-	15
16	Total Average Cost of Gas			\$ -	16
17	Total Cost of Gas at the City Gate	481,059	\$ 5.5254	\$ 2,658,027	17

[1] Based on September 24, 2007 first of the month forwards.

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF OCTOBER 2007**

Line No.	Description (a)	Dth (b)	Average Cost Per Unit (c)	Amount (d)	Line No.
1	Total City Gate Demand (Dth-Net)	<u>153,659</u>			1
			[1]		
2	Projected Purchases Into NWPL	11,328	\$ 2.8249	\$ 32,000	2
3	Projected Purchases Into Tuscarora	-	\$ -	-	3
4	Projected Purchases Into Paiute	143,000	\$ 3.3846	484,000	4
5	Total Projected Gas Purchases into Mainline			<u>\$ 516,000</u>	5
	<u>Transportation Cost</u>				
6	NWPL Volumetric Charge [2]	11,121	\$ 0.0316	\$ 351	6
7	Paiute Volumetric Charge [3]	153,659	\$ 0.0016	246	7
8	Tuscarora Volumetric Charge [4]	-	\$ -	-	8
9	Total Transportation Variable Cost			<u>\$ 597</u>	9
10	Total Cost at the City Gate (Excluding LNG and Pipeline Fixed Charges)	<u>153,659</u>	<u>\$ 3.3620</u>	<u>\$ 516,597</u>	10

[1] Based on August 23, 2007 first of the month forwards.

[2] NWPL fuel at 1.73%.

[3] Paiute fuel at 0.30%.

[4] Tuscarora fuel at 0.00%.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENTS
FOR THE MONTH OF OCTOBER 2007**

Line No.	Description (a)	Estimated September Activity (b)	October Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for August 2007		\$ (2,007,360)	1
2	No Imbalance Activity for July		-	2
3	No Imbalance Activity for August		-	3
4	Adjusted Ending Balance		<u>\$ (2,007,360)</u>	4
5	August Rate	\$ (0.04099)		5
6	September Rate	<u>(0.02533)</u>		6
7	Average Rate	\$ (0.03316)		7
8	Estimated September Sales	3,193,566		8
9	Estimated September Acct. No. 191 Activity (Line 7 x Line 8)		\$ 105,899	9
10	Estimated September Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ (1,901,461)</u>	10
11	Twelve Months Projected Sales		<u>84,346,178</u>	11
12	October Surcharge (Line 10 / Line 11)		<u><u>\$ (0.02254)</u></u>	12

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENT
FOR THE MONTH OF OCTOBER 2007**

Line No.	Description (a)	Estimated September Activity (b)	October Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for August 2007		\$ (1,202,419)	1
2	August Rate	\$ (0.01814)		2
3	September Rate	(0.03064)		3
4	Average Rate	<u>\$ (0.02439)</u>		4
5	Estimated September Sales	1,358,656		5
6	Estimated September Acct. No. 191 Activity (Line 4 x Line 5)		\$ 33,138	6
7	Estimated September Acct. No. 191 Ending Balance		<u>\$ (1,169,281)</u>	7
8	Twelve Months Projected Sales		<u>41,667,877</u>	8
9	October Surcharge (Line 7 / Line 8)		<u><u>\$ (0.02806)</u></u>	9

**SOUTHWEST GAS CORPORATION
 CALCULATION OF TRANSPORTATION FRANCHISE FEE (TFF) SURCHARGE
 FOR THE MONTH OF OCTOBER 2007**

Line No.	Description (a)	(\$/therm) (b)	Line No.
	<u>Southern California</u>		
1	Estimated Cost of Gas [1]	\$ 0.55254	1
2	Franchise Tax @ 1.3329% [2]	<u>0.00736</u>	2
	<u>Northern California and South Lake Tahoe District</u>		
3	Estimated Cost of Gas [1]	<u>\$ 0.33620</u>	3
4	Franchise Tax @ 1.5882% [2]	<u>\$ 0.00534</u>	4

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Application 02-02-012 (D.04-03-034).

CALIFORNIA PUBLIC UTILITIES COMMISSION

**ADVICE LETTER FILING SUMMARY
ENERGY UTILITY**

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905 G)**

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person: **Roger C. Montgomery**

Phone #: **(702)876-7321**

E-mail: **roger.montgomery@swgas.com**

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

Advice Letter (AL) #: **787**

Subject of AL: **To update procurement charges applicable to Schedule No. GCP for core customers and the Transportation Franchise Fee (TFF) Surcharges applicable to core and noncore customers in the Southern and Northern California Divisions and the gas cost procurement in the South Lake Tahoe District**

Keywords (choose from CPUC listing): **Increase Rates**

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL **Not applicable**

Summarize differences between the AL and the prior withdrawn or rejected AL¹: **Not applicable**

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: **October 7, 2007**

No. of tariff sheets: **9 in CA Gas Tariff;
2 in CA South Lake Tahoe Gas Tariff**

Estimated system annual revenue effect (%): **Not applicable**

Estimated system average rate effect (%): **4.36% So. CA, 0.21% No. CA and 0.34% So. Lake Tahoe**

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **Schedule No. GCP - Gas Procurement for Core Customers**

Service affected and changes proposed¹: **See 'Subject of AL' above**

Pending advice letters that revise the same tariff sheets: **Not applicable**

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Utility Info (including e-mail)
Mr. John P. Hester, Sr. Vice-Pres.
Reg. Affairs & Energy Resources
Southwest Gas Corporation
P. O. Box 98510
Las Vegas, NV 89193-8510
john.hester@swgas.com
Facsimile: 702-876-7037**

¹ Discuss in AL if more space is needed.

CALIFORNIA ADVICE LETTER DISTRIBUTION

Advice Letter No. 787

Date Mailed 9/28/07

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505 Van Ness Avenue, 4th Floor Francisco,
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State Regulatory Affairs, LVB-105
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Las Vegas, NV 89193-8510

California Advice Filings
Sheet 2 of 2

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