



SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

February 18, 2009

Ms. Crystal Jackson, Secretary
Public Utilities Commission of Nevada
Capitol Plaza
1150 East William Street
Carson City, NV 89701-3109

Subject: Advice Letter No. 446 (Docket No. 08-12027)

Dear Ms. Jackson:

Southwest Gas Corporation respectfully requests to **withdraw**, in its entirety, Advice Letter No. 446 filed with the Public Utilities Commission of Nevada on December 31, 2008.

Very truly yours,

Roger C. Montgomery

RCM:pr

c Bureau of Consumer Protection



SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

December 31, 2008

Ms. Crystal Jackson, Secretary
Public Utilities Commission of Nevada
Capitol Plaza
1150 East William Street
Carson City, NV 89701-3109

Dear Ms. Jackson:

Southwest Gas Corporation herewith submits its Advice Letter No. 446.

A filing fee in the amount of \$10.00 is included. Also enclosed is one copy of the Draft Notice Application, pursuant to Nevada Administrative Code, Section 703.162.

Respectfully submitted,

Roger C. Montgomery

RCM:tl
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 446

December 31, 2008

PUBLIC UTILITIES COMMISSION OF NEVADA

Southwest Gas Corporation (Southwest) tenders herewith for filing the following tariff sheets applicable to its Nevada Gas Tariff No. 6:

Proposed P.U.C.N Sheet No.

Supersedes P.U.C.N Sheet No.

12th Revised Sheet No. 19

11th Revised Sheet No. 19

The purpose of this filing is to update the Tax Liability Factors used to calculate the federal income tax liability associated with customer provided contributions and advances in compliance with the Commission's order in Docket No. 08-03006, dated April 25, 2008. This factor is based on the current rate for Statutory Interest Paid on Customer Deposits, pursuant to Nevada Revised Statutes, NRS 704.655, effective January 1, 2009.

Copies of the calculation for both Southern and Northern Nevada service territories are included with this filing.

This filing is made in accordance with the Nevada Administrative Code, NAC Chapter 703, of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By *Roger C. Montgomery*
Roger C. Montgomery

RCM:tl
Attachments

STATEMENT OF RATES
TAX LIABILITY FACTORS ^[1]

<u>Effective Date</u>	<u>Depreciable Assets</u>		<u>Non-Depreciable Assets</u>	
	<u>So. Nevada</u>	<u>No. Nevada</u>	<u>So. Nevada</u>	<u>No. Nevada</u>
January 1, 2009	1.23	1.25	1.54	1.54

[1] The above Tax Liability Factors will be used in accordance with the Utility's Rule No. 9, Main Extensions and Rule No. 10, Service Extensions, to adjust cash and non-cash contributions in aid of construction and advances for construction to recover the cost of Federal Income Tax in accordance with NAC 704.6532.

Issued:
December 31, 2008

Effective:
January 1, 2009

Advice Letter No.:
446

Issued by
John P. Hester
Senior Vice President

**SOUTHWEST GAS - SOUTHERN NEVADA
PROJECTION - GROSS UP FACTOR FOR 01/01/09 THROUGH 06/30/09
BASED ON \$1,000 CONTRIBUTION AND 15 YEAR DEPRECIATION PERIOD**

Regular MACRS

LINE NO.	YEAR	BEGINNING TAX			ENDING TAX PAYMENT	CURRENT AUTHORIZED PRETAX RETURN* 9.71%	CURRENT CUSTOMER DEPOSIT RATE* 0.430% PV FACTOR	PRESENT VALUE	TAX SAVINGS CALCULATION				LINE NO.
		PAYMENT BALANCE	YEARLY TAX BENEFIT	TAX BALANCE					TAX DEPRECIATION RATE	ANNUAL TAX DEPRECIATION	ANNUAL TAX SAVINGS AT 35%		
1	1	350.00	17.50	332.50	32.29	0.9979	32.220	1	1,000	5.000%	50.00	17.50	1
2	2	332.50	33.25	299.25	29.06	0.9936	28.870	2	1,000	9.500%	95.00	33.25	2
3	3	299.25	29.93	269.33	26.15	0.9893	25.870	3	1,000	8.550%	85.50	29.93	3
4	4	269.33	26.95	242.38	23.53	0.9851	23.180	4	1,000	7.700%	77.00	26.95	4
5	5	242.38	24.26	218.12	21.18	0.9809	20.770	5	1,000	6.930%	69.30	24.26	5
6	6	218.12	21.81	196.32	19.06	0.9767	18.620	6	1,000	6.230%	62.30	21.81	6
7	7	196.32	20.65	175.67	17.06	0.9725	16.590	7	1,000	5.900%	59.00	20.65	7
8	8	175.67	20.65	155.02	15.05	0.9683	14.580	8	1,000	5.900%	59.00	20.65	8
9	9	155.02	20.69	134.33	13.04	0.9642	12.580	9	1,000	5.910%	59.10	20.69	9
10	10	134.33	20.65	113.68	11.04	0.9601	10.600	10	1,000	5.900%	59.00	20.65	10
11	11	113.68	20.69	93.00	9.03	0.9559	8.630	11	1,000	5.910%	59.10	20.69	11
12	12	93.00	20.65	72.35	7.02	0.9519	6.690	12	1,000	5.900%	59.00	20.65	12
13	13	72.35	20.69	51.66	5.02	0.9478	4.750	13	1,000	5.910%	59.10	20.69	13
14	14	51.66	20.65	31.01	3.01	0.9437	2.840	14	1,000	5.900%	59.00	20.65	14
15	15	31.01	20.69	10.33	1.00	0.9397	0.940	15	1,000	5.910%	59.10	20.69	15
16	16	10.33	10.33	(0.00)	(0.00)	0.9357	-	16	1,000	2.950%	29.50	10.33	16
TOTAL		<u>350.00</u>					<u>227.73</u>	TOTAL	100.00%			<u>350.00</u>	

CONVERSION TO PERCENTAGE PER DOLLAR OF CONTRIBUTION 22.77%

GROSS-UP FACTOR 1 + 22.77% = Rounded 1.23

ASSUMPTIONS

FEDERAL INCOME TAX RATE OF 35% SIGNED INTO LAW 8/10/93
 CUSTOMER DEPOSIT RATE* 0.430% 12/04/08 26 WK TREASURY BILL DISCOUNT RATE ONLINE
 AUTHORIZED RATE OF RETURN

GAS
 DEBT* 3.25%
 EQUITY* 4.20%
 TOTAL 7.45%
 GROSS UP FOR TAX 2.26%
 PRETAX RETURN 9.71%

COMPUTED ON EQUITY PORTION ONLY
 * DKT.# 04-3011

INCOME TAX GROSSUP FACTOR 1.5385 EQUALS (1/(1-TAX RATE))

SOUTHWEST GAS - NORTHERN NEVADA
PROJECTION - GROSS UP FACTOR FOR 01/01/09 THROUGH 06/30/09
BASED ON \$1,000 CONTRIBUTION AND 15 YEAR DEPRECIATION PERIOD

Regular MACRS

LINE NO.	YEAR	BEGINNING		ENDING TAX PAYMENT BALANCE	CURRENT AUTHORIZED PRETAX RETURN* 10.82%	CURRENT CUSTOMER DEPOSIT RATE* 0.430% PV FACTOR	PRESENT VALUE	TAX SAVINGS CALCULATION				LINE NO.	
		TAX PAYMENT BALANCE	YEARLY TAX BENEFIT					TAX DEPRECIATION RATE	ANNUAL TAX DEPRECIATION	ANNUAL SAVINGS AT 35% RATE			
1	1	350.00	17.50	332.50	35.98	0.9979	35.900	1	1,000	5.000%	50.00	17.50	1
2	2	332.50	33.25	299.25	32.38	0.9936	32.170	2	1,000	9.500%	95.00	33.25	2
3	3	299.25	29.93	269.33	29.14	0.9893	28.830	3	1,000	8.550%	85.50	29.93	3
4	4	269.33	26.95	242.38	26.22	0.9851	25.830	4	1,000	7.700%	77.00	26.95	4
5	5	242.38	24.26	218.12	23.60	0.9809	23.150	5	1,000	6.930%	69.30	24.26	5
6	6	218.12	21.81	196.32	21.24	0.9767	20.750	6	1,000	6.230%	62.30	21.81	6
7	7	196.32	20.65	175.67	19.01	0.9725	18.480	7	1,000	5.900%	59.00	20.65	7
8	8	175.67	20.65	155.02	16.77	0.9683	16.240	8	1,000	5.900%	59.00	20.65	8
9	9	155.02	20.69	134.33	14.53	0.9642	14.010	9	1,000	5.910%	59.10	20.69	9
10	10	134.33	20.65	113.68	12.30	0.9601	11.810	10	1,000	5.900%	59.00	20.65	10
11	11	113.68	20.69	93.00	10.06	0.9559	9.620	11	1,000	5.910%	59.10	20.69	11
12	12	93.00	20.65	72.35	7.83	0.9519	7.450	12	1,000	5.900%	59.00	20.65	12
13	13	72.35	20.69	51.66	5.59	0.9478	5.300	13	1,000	5.910%	59.10	20.69	13
14	14	51.66	20.65	31.01	3.36	0.9437	3.170	14	1,000	5.900%	59.00	20.65	14
15	15	31.01	20.69	10.33	1.12	0.9397	1.050	15	1,000	5.910%	59.10	20.69	15
16	16	10.33	10.33	(0.00)	(0.00)	0.9357	-	16	1,000	2.950%	29.50	10.33	16
TOTAL		350.00					253.76	TOTAL		100.00%		350.00	0

CONVERSION TO PERCENTAGE PER DOLLAR OF CONTRIBUTION 25.38%

GROSS-UP FACTOR 1 + 25.38% = Rounded 1.25

ASSUMPTIONS

FEDERAL INCOME TAX RATE OF 35% SIGNED INTO LAW 8/10/93
CUSTOMER DEPOSIT RATE* 0.430% 12/04/08 26 WK TREASURY BILL DISCOUNT RATE ONLINE
AUTHORIZED RATE OF RETURN

GAS
DEBT* 4.36%
EQUITY* 4.20%
TOTAL 8.56%
GROSS UP FOR TAX 2.26%
PRETAX RETURN 10.82%

COMPUTED ON EQUITY PORTION ONLY
* DKT.# 04-3011

INCOME TAX GROSSUP FACTOR 1.5385 EQUALS (1/(1-TAX RATE))