

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

Goger C. Montgomeny

RCM:pr

c Bureau of Consumer Protection



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

Roger C. Montgomery

RCM:tl Enclosures



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

12th Revised	P.U.C.N. Sheet No.	19
11th Revised	P.U.C.N. Sheet No.	19

T/I

STATEMENT OF RATES TAX LIABILITY FACTORS [1]

Canceling

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

Issued:

December 31, 2008

Effective:

January 1, 2009

Issued by John P. Hester Senior Vice President

Advice Letter No.:

446

The above Tax Liability Factors will be used in accordance with the Utility's Rule No. 9, Main [1] 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.

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

						CURRENT							
					CURRENT	CUSTOMER				TAX SAVINGS CA	ALCULATION		
					AUTHORIZED	DEPOSIT						ANNUAL	
		BEGINNING		ENDING	PRETAX	RATE*				MACRS		TAX	
		TAX	YEARLY	TAX	RETURN*	0.430%				TAX	ANNUAL	SAVINGS	
LINE		PAYMENT	TAX	PAYMENT	9.71%	PV	PRESENT		TAX	DEPRECIATION	TAX	AT 35%	LINE
<u>NO.</u>	YEAR	BALANCE	<u>BENEFIT</u>	BALANCE	<u>RETURN</u>	<u>FACTOR</u>	VALUE	<u>YEAR</u>	<u>BASE</u>	<u>RATE</u>	DEPRECIATION	RATE	<u>NO.</u>
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.		350.00				227.73	TOTAL	•	100.00%	•	350.00	• • •
											;		=
	CONV	ERSION TO	PERCENT	AGE PER D	OLLAR OF CON	ITRIBUTION	22.77%						
GROSS-UP FACTOR 1 + 22.77% = Rounde					Rounded	1.23							

ASS	31 II	MP.	TIO	2IA

ASSUMPTIONS	
FEDERAL INCOME TAX RATE OF CUSTOMER DEPOSIT RATE* AUTHORIZED RATE OF RETURN	35% SIGNED INTO LAW 8/10/93 0.430% 12/04/08 26 WK TREASURY BILL DISCOUNT RATE ONLINE
DEBT* 3.25% EQUITY* 4.20% TOTAL 7.45% GROSS UP FOR TAX 2.26%	COMPUTED ON EQUITY PORTION ONLY
PRETAX RETURN 9.71%	* DKT.# 04-3011
INCOME TAX GROSSUP FACTOR	1.5385 EQUALS (1/(1-TAX RATE))

C:\Temp\XPgrpwise\[Book2.xls]NNV 010109-063009 25%

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

NO. YEAR BALANCE 1 BALANCE 2 RETURN 35.00 FACTOR 35.98 VALUE 35.99 YEAR 35.00 BASE 35.00 RATE 35.00 DEPRECIATION 50.00 RATE 35.00 NATE 35.00 <t< th=""><th></th><th colspan="12">CURRENT</th></t<>		CURRENT												
BEGINNING						CURRENT	CUSTOMER				TAX SAVINGS CA	LCULATION		
BEGINNING						AUTHORIZED	DEPOSIT						ANNUAL	•
TAX YEARLY TAX PAYMENT TAX PAYMENT TAX PAYMENT TAX PAYMENT TAX TAX PAYMENT TAX PAYMENT TAX PAYMENT TAX PAYMENT TAX PAYMENT TAX PAYMENT TAX TAX			BEGINNING		ENDING	PRETAX	RATE*				MACRS			
LINE PAYMENT TAX PAYMENT 10.82% PV PRESENT TAX DEPRECIATION TAX AT 35% LI NO. YEAR BALANCE BENEFIT BALANCE RETURN FACTOR VALUE YEAR BASE RATE DEPRECIATION RATE N 1 1 350.00 17.50 332.50 35.98 0.9979 35.900 1 1,000 5.000% 50.00 17.50 2 2 332.50 33.25 299.25 32.38 0.9936 32.170 2 1,000 9.500% 95.00 33.25 3 3 299.25 29.93 269.33 29.14 0.9893 28.830 3 1,000 8.550% 85.50 29.93 4 4 269.33 26.95 242.38 26.22 0.9851 25.830 4 1,000 7.700% 77.00 26.95 5 5 242.38 24.26 218.12 23.60 0.980			TAX	YEARLY	TAX	RETURN*	0.430%				TAX	ANNUAL		
NO. YEAR BALANCE 1 BALANCE 2 RETURN 35.00 FACTOR 35.98 VALUE 35.90 YEAR 1.00 BASE 5.00 RATE 5.00 DEPRECIATION 50.00 RATE 5.00 NATE 5.00 1 1 350.00 17.50 332.50 35.98 0.9979 35.900 1 1,000 5.000% 50.00 17.50 2 2 332.50 33.25 299.25 32.38 0.9936 32.170 2 1,000 9.500% 95.00 33.25 3 3 299.25 29.93 269.33 29.14 0.9893 28.830 3 1,000 8.550% 85.50 29.93 4 4 269.33 26.95 242.38 26.22 0.9851 25.830 4 1,000 7.700% 77.00 26.95 5 5 242.38 24.26 218.12 23.60 0.9809 23.150 5 1,000 6.930% 69.30 24.26 6 6 218.12 21.81 196.32	LINE	i.	PAYMENT	TAX	PAYMENT	10.82%	PV	PRESENT		TAX	DEPRECIATION	TAX		LINE
1 1 350.00 17.50 332.50 35.98 0.9979 35.900 1 1,000 5.000% 50.00 17.50 2 2 332.50 33.25 299.25 32.38 0.9936 32.170 2 1,000 9.500% 95.00 33.25 3 3 299.25 29.93 269.33 29.14 0.9893 28.830 3 1,000 8.550% 85.50 29.93 4 4 269.33 26.95 242.38 26.22 0.9851 25.830 4 1,000 7.700% 77.00 26.95 5 5 242.38 24.26 218.12 23.60 0.9809 23.150 5 1,000 6.930% 69.30 24.26 6 6 218.12 21.81 196.32 21.24 0.9767 20.750 6 1,000 6.230% 62.30 21.81 7 7 196.32 20.65 175.67 19.01 0.9725 18.480 7 1,000 5.900% 59.00 20.65 8 8 </td <td><u>NO.</u></td> <td><u>YEAR</u></td> <td>BALANCE</td> <td>BENEFIT</td> <td>BALANCE</td> <td>RETURN</td> <td><u>FACTOR</u></td> <td>VALUE</td> <td>YEAR</td> <td>BASE</td> <td>RATE</td> <td>DEPRECIATION</td> <td></td> <td>NO.</td>	<u>NO.</u>	<u>YEAR</u>	BALANCE	BENEFIT	BALANCE	RETURN	<u>FACTOR</u>	VALUE	YEAR	BASE	RATE	DEPRECIATION		NO.
3 3 299.25 29.93 269.33 29.14 0.9893 28.830 3 1,000 8.550% 85.50 29.93 4 4 269.33 26.95 242.38 26.22 0.9851 25.830 4 1,000 7.700% 77.00 26.95 5 5 242.38 24.26 218.12 23.60 0.9809 23.150 5 1,000 6.930% 69.30 24.26 6 6 218.12 21.81 196.32 21.24 0.9767 20.750 6 1,000 6.230% 62.30 21.81 7 7 196.32 20.65 175.67 19.01 0.9725 18.480 7 1,000 5.900% 59.00 20.65 8 8 175.67 20.65 155.02 16.77 0.9683 16.240 8 1,000 5.900% 59.00 20.65 9 9 155.02 20.69 134.33 14.53 0.9642 1	1	1	350.00	17.50	332.50	35.98	0.9979	35.900	1	1,000	5.000%	50.00		1
4 4 269.33 26.95 242.38 26.22 0.9851 25.830 4 1,000 7.700% 77.00 26.95 5 5 242.38 24.26 218.12 23.60 0.9809 23.150 5 1,000 6.930% 69.30 24.26 6 6 218.12 21.81 196.32 21.24 0.9767 20.750 6 1,000 6.230% 62.30 21.81 7 7 196.32 20.65 175.67 19.01 0.9725 18.480 7 1,000 5.900% 59.00 20.65 8 175.67 20.65 155.02 16.77 0.9683 16.240 8 1,000 5.900% 59.00 20.65 9 9 155.02 20.69 134.33 14.53 0.9642 14.010 9 1,000 5.910% 59.10 20.69 10 10 134.33 20.65 113.68 12.30 0.9601 11.810 10 1,000 5.900% 59.00 20.65 11 11 <t< td=""><td></td><td>2</td><td>332.50</td><td>33.25</td><td>299.25</td><td>32.38</td><td>0.9936</td><td>32.170</td><td>2</td><td>1,000</td><td>9.500%</td><td>95.00</td><td>33.25</td><td>2</td></t<>		2	332.50	33.25	299.25	32.38	0.9936	32.170	2	1,000	9.500%	95.00	33.25	2
5 5 242.38 24.26 218.12 23.60 0.9809 23.150 5 1,000 6.930% 69.30 24.26 6 6 218.12 21.81 196.32 21.24 0.9767 20.750 6 1,000 6.230% 62.30 21.81 7 7 196.32 20.65 175.67 19.01 0.9725 18.480 7 1,000 5.900% 59.00 20.65 8 8 175.67 20.65 155.02 16.77 0.9683 16.240 8 1,000 5.900% 59.00 20.65 9 9 155.02 20.69 134.33 14.53 0.9642 14.010 9 1,000 5.910% 59.10 20.69 10 10 134.33 20.65 113.68 12.30 0.9601 11.810 10 1,000 5.900% 59.00 20.65 11 11 113.68 20.69 93.00 10.06 0.9559 <	3	3			269.33	29.14	0.9893	28.830	. 3	1,000	8.550%	85.50	29.93	3
6 6 218.12 21.81 196.32 21.24 0.9767 20.750 6 1,000 6.230% 62.30 21.81 7 7 196.32 20.65 175.67 19.01 0.9725 18.480 7 1,000 5.900% 59.00 20.65 8 8 175.67 20.65 155.02 16.77 0.9683 16.240 8 1,000 5.900% 59.00 20.65 9 9 155.02 20.69 134.33 14.53 0.9642 14.010 9 1,000 5.910% 59.10 20.69 10 10 134.33 20.65 113.68 12.30 0.9601 11.810 10 1,000 5.900% 59.00 20.65 11 11 11 113.68 20.69 93.00 10.06 0.9559 9.620 11 1,000 5.910% 59.10 20.69 12 12 93.00 20.65 72.35 7.83 0.9519 7.450 12 1,000 5.900% 59.00 20.65 13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.69 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33	4					26.22	0.9851	25.830	4	1,000	7.700%	77.00	26.95	4
7 7 196.32 20.65 175.67 19.01 0.9725 18.480 7 1,000 5,900% 59.00 20.65 8 8 175.67 20.65 155.02 16.77 0.9683 16.240 8 1,000 5,900% 59.00 20.65 9 9 155.02 20.69 134.33 14.53 0.9642 14.010 9 1,000 5,910% 59.10 20.69 10 10 134.33 20.65 113.68 12.30 0,9601 11.810 10 1,000 5,910% 59.00 20.65 11 11 113.68 20.69 93.00 10.06 0,9559 9.620 11 1,000 5,910% 59.10 20.69 12 12 93.00 20.65 72.35 7.83 0,9519 7.450 12 1,000 5,900% 59.00 20.65 13 13 72.35 20.69 5,59 0,9478 5,300 <td< td=""><td>5</td><td>5</td><td>242.38</td><td>24.26</td><td>218.12</td><td>23.60</td><td>0.9809</td><td>23.150</td><td>5</td><td>1,000</td><td>6.930%</td><td>69.30</td><td>24.26</td><td>5</td></td<>	5	5	242.38	24.26	218.12	23.60	0.9809	23.150	5	1,000	6.930%	69.30	24.26	5
8 8 175.67 20.65 155.02 16.77 0.9683 16.240 8 1,000 5.900% 59.00 20.65 9 9 155.02 20.69 134.33 14.53 0.9642 14.010 9 1,000 5.910% 59.10 20.69 10 10 134.33 20.65 113.68 12.30 0.9601 11.810 10 1,000 5.900% 59.00 20.65 11 11 113.68 20.69 93.00 10.06 0.9559 9.620 11 1,000 5.910% 59.10 20.69 12 12 93.00 20.65 72.35 7.83 0.9519 7.450 12 1,000 5.900% 59.00 20.65 13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.65 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.910% 59.00 20.65 15 1	6	6		21.81	196.32	21.24	0.9767	20.750	6	1,000	6.230%	62.30	21.81	6
9 9 155.02 20.69 134.33 14.53 0.9642 14.010 9 1,000 5.910% 59.10 20.69 10 10 134.33 20.65 113.68 12.30 0.9601 11.810 10 1,000 5.900% 59.00 20.65 11 11 11 13.68 20.69 93.00 10.06 0.9559 9.620 11 1,000 5.910% 59.10 20.69 12 12 93.00 20.65 72.35 7.83 0.9519 7.450 12 1,000 5.900% 59.00 20.65 13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.69 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33	7	7	196.32	20.65	175.67	19.01	0.9725	18.480	7	1,000	5.900%	59.00	20.65	7
10 10 134.33 20.65 113.68 12.30 0.9601 11.810 10 1,000 5.900% 59.00 20.65 11 11 113.68 20.69 93.00 10.06 0.9559 9.620 11 1,000 5.910% 59.10 20.69 12 12 93.00 20.65 72.35 7.83 0.9519 7.450 12 1,000 5.900% 59.00 20.65 13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.69 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.905) - 16<						16.77	0.9683	16.240	8	1,000	5.900%	59.00	20.65	8
11 11 113.68 20.69 93.00 10.06 0.9559 9.620 11 1,000 5.910% 59.10 20.69 12 12 93.00 20.65 72.35 7.83 0.9519 7.450 12 1,000 5.900% 59.00 20.65 13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.69 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33	-						0.9642	14.010	9	1,000	5.910%	59.10	20.69	9
12 12 93.00 20.65 72.35 7.83 0.9519 7.450 12 1,000 5.900% 59.00 20.65 13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.69 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33								11.810	10	1,000	5.900%	59.00	20.65	10
13 13 72.35 20.69 51.66 5.59 0.9478 5.300 13 1,000 5.910% 59.10 20.69 14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33								9.620	11	1,000	5.910%	59.10	20.69	11
14 14 51.66 20.65 31.01 3.36 0.9437 3.170 14 1,000 5.900% 59.00 20.65 15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33							0.9519	7.450	12	1,000	5.900%	59.00	20.65	12
15 15 31.01 20.69 10.33 1.12 0.9397 1.050 15 1,000 5.910% 59.10 20.69 16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33								5.300	13	1,000	5.910%	59.10	20.69	13
16 16 10.33 10.33 (0.00) (0.00) 0.9357 - 16 1,000 2.950% 29.50 10.33								3.170	14	1,000	5.900%	59.00	20,65	14
(4.65) (4.65) (4.65) (4.65)								1.050	15	1,000	5.910%	59.10	20.69	15
TOTAL 350.00 253.76 TOTAL 100.00% 350.00	16				. (0.00)	(0.00)	0.9357			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%		CONV	ERSION TO	PERCENT	TAGE PER D	OLLAR OF CO	NTRIBUTION	25.38%						

1.25

GROSS-UP FACTOR

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

<u>GAS</u> DEBT* 4.36% 4.20% 8.56% 2.26% **EQUITY*** TOTAL **GROSS UP FOR TAX**

COMPUTED ON EQUITY PORTION ONLY

1 + 25.38% = Rounded

PRETAX RETURN * DKT.# 04-3011

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

C:\Temp\XPgrpwise\[Book2.xis]NNV 010109-063009 25%