September 29, 2009

TO ALL HOLDERS OF SOUTHWEST GAS CORPORATION ARIZONA GAS TARIFF NO. 7

Subject: Revision No. 169

This revision reflects authorization by the Arizona Corporation Commission (ACC) for Southwest to adjust gas cost rates applicable to Irrigation (G-80) customers in Arizona on a semi-annual basis. The attached tariff sheet reflects revised rates effective October 1, 2009.

The following change should be made in your copy of Southwest's Arizona Gas Tariff No. 7:

Insert A.C.C. Sheet No.

Supersedes A.C.C. Sheet No.

41st Revised Sheet No. 13

40th Revised Sheet No. 13

Debra Gallo, Director Government and State Regulatory Affairs SOUTHWEST GAS CORPORATION P.O. Box 98510 Las Vegas, Nevada 89193-8510 Arizona Gas Tariff No. 7 Arizona Division

41st Revised	A.C.C. Sheet No.	13
40th Revised	A.C.C. Sheet No.	13

STATEMENT OF RATES <u>EFFECTIVE SALES RATES APPLICABLE TO ARIZONA SCHEDULES</u> (Continued)

Description	Delivery Charge	<u>3</u> / Rate Adjustment	Monthly Gas Cost	Currently Effective Tariff Rate
G-80 – Natural Gas Engine 6/ Gas Service Basic Service Charge per Month: Off-Peak Season (October–March)	\$ 0.00 \$125.00			\$ 0.00 \$125.00
Peak Season (April–September) Commodity Charge per Therm: All Usage	\$.19069	\$.00649	\$.64466	\$ 0.84184

Canceling

- 1/ All charges are subject to adjustment for any applicable taxes or governmental impositions.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Commodity Charge per Therm less the Monthly Gas Cost, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$.00832 per therm for distribution shrinkage as defined in Rule No. 1 of this Arizona Gas Tariff. The shrinkage charge shall be updated annually effective May 1. For customers converting from sales service, an additional amount equal to the currently effective Gas Cost Balancing Account Adjustment will be assessed for a period of 12 months.
- 3/ (a) For Schedule Nos. G-5, G-6 and G-20, the Rate Adjustment includes \$.01427 per therm to recover LIRA program costs. This charge shall be updated annually effective May 1.
 - (b) For all rate schedules except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$0.00423 per therm to fund DSM Program costs. This charge shall be updated annually effective the first billing cycle in April.
 - (c) For all rate schedules, except for Schedule Nos. G-30 and B-1, the Rate Adjustment includes \$.00135 per therm for the Gas Research Fund. This charge shall be updated annually effective May 1.
 - (d) For all rate schedules, the Rate Adjustment includes \$0.00091 per therm for the Department of Transportation (DOT) Safety Program costs. This charge shall be updated annually effective March 1.
- 4/ The total monthly demand charge is equal to the unit rate shown multiplied by the customer's billing determinant.
- 5/ The charges for Schedule No. G-55 are subject to adjustment for applicable state and federal taxes on fuel used in motor vehicles.
- 6/ The gas cost for this rate schedule shall be updated seasonally, April 1 and October 1 of each year.

Issued by
Issued On September 23, 2009
Docket No. G-01551A-01-0060
Issued by
John P. Hester
Senior Vice President

Effective October 1, 2009
Decision No. 63598