



# SOUTHWEST GAS CORPORATION

**PUBLIC NOTICE OF HEARING ON SOUTHWEST GAS CORPORATION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF THE PROPERTIES OF SOUTHWEST GAS CORPORATION DEVOTED TO ITS ARIZONA OPERATIONS. (DOCKET NO. G-01551A-23-0341)**

**Summary**

On February 2, 2024, Southwest Gas Corporation ("SWG" or "Company") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service in its Arizona jurisdiction. The Company asserts that for the test year ending October 31, 2023, ("TY"), SWG had adjusted operating income of \$155,534,944 and an original cost rate base ("OCRB") of \$3,254,152,086 and fair value rate base ("FVRB") of \$4,848,614,544 resulting in a rate of return of 3.21 percent on its FVRB. The Company's proposed rate of return includes a 0.81 percent return on Fair Value Increment to produce a 5.15 percent rate of return on the Company's FVRB. The Company's proposed rates and charges would produce an overall revenue increase of \$125.6 million or approximately 18.78 percent.

SWG also proposes to recover its rate case expense, as well as the remaining balance on rate case expense from its prior general rate case, through its regulatory expense surcharge. Based on its calculations, the Company estimates the surcharge to have an approximate \$0.005 monthly bill impact on a residential customer at the average monthly usage of 23 therms.

The Company's proposed rates and charges, including regulatory expense surcharge, would result in the following monthly bills for a residential customer average winter monthly consumption of 35 therms, average summer monthly consumption of 11 therms, and annual average monthly usage of 23 therms:

Single Family Residential Service	Monthly Consumption (therms)	Monthly Bill (\$)		Increase/Decrease	
		Current Rates	Proposed Rates	Dollars (\$)	Percent (%)
<b>Summer</b>					
Summer 75%	8	\$26.47	\$28.95	\$2.48	9.37%
Summer Average	11	\$32.38	\$35.79	\$3.41	10.53%
Summer 125%	14	\$38.29	\$42.63	\$4.34	11.33%
<b>Winter</b>					
Winter 75%	26	\$61.92	\$70.00	\$8.08	13.05%
Winter Average	35	\$79.65	\$90.53	\$10.88	13.66%
Winter 125%	44	\$97.38	\$111.05	\$13.67	14.04%
<b>Annual Average</b>					
Average Monthly	23	\$56.01	\$63.16	\$7.15	12.77%

In addition to the rate increase, SWG requests approval of modifications to its Purchased Gas Adjustor and Delivery Charge Adjustor mechanisms to adjust the interest component. Further, the Company proposes the addition of an Unrecovered Gas Cost Expense Provision to timely recover the uncollected portion of customer bills related to purchased gas.



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The Company also proposes an Incremental Upstream Pipeline Charge (“IPC”) to establish a rate applicable to transportation customers for their portion of IPC charges.

In addition to the above, the Company requests approval of a System Improvement Benefit (“SIB”) mechanism to recover a return on and of net investment made between rate cases for Code and Regulatory infrastructure replacements.

**NEITHER THE COMMISSION’S UTILITIES DIVISION (“STAFF”) NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING SOUTHWEST GAS CORPORATION’S APPLICATION. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF SOUTHWEST GAS CORPORATION, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO SOUTHWEST GAS CORPORATION’S APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY SOUTHWEST GAS CORPORATION OR BY OTHER PARTIES.**

If you have any questions concerning how the Application may affect your bill or other substantive questions about the Application, you may contact **Southwest Gas Corporation** at **1600 E Northern Ave, Phoenix, AZ 85020**, by phone at **1-877-860-6020**, or by email at [customerinfo@swgas.com](mailto:customerinfo@swgas.com).

## **How You Can View or Obtain a Copy of the Application**

Copies of the Application are available from Southwest Gas Corporation upon request by contacting the Company at 1-877-860-6020. Copies can be viewed at 1600 E Northern Ave, Phoenix, AZ 85020. The filing is also available by visiting [www.swgas.com/investedinaz](http://www.swgas.com/investedinaz); at the Commission’s Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission’s office at 400 West Congress Street, Suite 218, Tucson, Arizona during regular business hours; and on the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function and the Docket Number shown above.

## **Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **November 20, 2024, at 10:00am.**, at the Commission’s offices at 1200 West Washington Street, Phoenix, Arizona 85007.

A public comment meeting will be held at the beginning of the first day of the hearing, and comment may be provided in person or telephonically. To provide telephonic public comments call **1-877-309-3457**, and enter participant no. **801972877#**. If you plan to attend the public comment meeting in person, please complete a “Request to Speak” on one of the kiosks in the lobby at the Commission’s Phoenix office or on any computer or mobile device through the ACC Portal (available on the Commission’s website ([www.azcc.gov](http://www.azcc.gov)) using “Cases and Open Meetings” and “Request to Speak at Open Meetings”).



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## Telephonic Public Comment Meetings

The Commission will take telephonic public comment on the following dates and times:

Date	Time
Thursday, <b>October 10</b> , 2024	<b>6:00 p.m.</b> to 8:30 p.m., or until the last caller is finished speaking, whichever comes first
Wednesday, <b>October 16</b> , 2024	<b>6:00 p.m.</b> to 8:30 p.m., or until the last caller is finished speaking, whichever comes first
Friday, <b>October 25</b> , 2024	<b>10:00 a.m.</b> to 12:30 p.m., or until the last caller is finished speaking, whichever comes first

To provide telephonic public comments, please call, **1-877-309-3457** and enter this code: **801972877#**.

Members of the public are encouraged to use landline telephones to call into the telephonic public comment meetings, as mobile telephones do not consistently provide adequate audio quality to permit verbatim transcription of telephonic comments by a court reporter.

Written public comments may be submitted by mailing a letter referencing **Docket No. G-01551A-23-0341** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

**If you do not intervene in this proceeding you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket or Document Type."**

### About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. **Intervention is not required for you to appear at the hearing and provide public comment, to file written comments in the docket for the case, or to receive emailed notice of each filing made in the case by following the docket.**

**Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) by clicking on "Cases and Open Meetings" and then clicking on "Intervene in a Case."** The information includes a Sample Intervention Request and a Fillable Intervention Request Form.



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To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by [eFiling](#) the request. **Your request must be filed or eFiled no later than June 14, 2024.** Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
  - a. Your interest in the proceeding (e.g., a customer of the regulated company involved, etc.),
  - b. How you will be directly and substantially affected by the outcome of the case, and
  - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31.1, 31.2, 31.3, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **June 14, 2024.**

## **ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Carolyn Buck, E-mail [ADACoordinator@azcc.gov](mailto:ADACoordinator@azcc.gov), voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.