

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southwest Gas Corporation
(U 905 G) for Approval of Program Years 2007-2008
Low-Income Assistance Program Budgets.

Application 06-06-002
(Filed June 1, 2006)

And related matters.

Application 06-06-003
(Filed June 1, 2006)
Application 06-06-007
(Filed June 5, 2006)
Application 06-06-009
(Filed June 1, 2006)
Application 06-06-011
(Filed June 7, 2006)
Application 06-07-008
(File July 10, 2006)

**SOUTHWEST GAS CORPORATION
(U 905 G)
CORRECTIONS TO NUMBERS
CONTAINED IN THE JULY 24, 2006
ENERGY DIVISION REPORT ON PROGRAM YEAR 2007 and 2008
CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) AND
LOW-INCOME ENERGY EFFICIENCY (LIEE) PROGRAMS OF THE
SMALL AND MULTI-JURISDICTIONAL UTILITIES**

Bridget B. Jensen
Associate General Counsel
Southwest Gas Corporation
P.O. Box 98510
5241 Spring Mountain Road
Las Vegas, Nevada 89193-8510
Phone: (702) 876-7396
Fax: (702) 252-7283
E-mail: bridget.jensen@swgas.com

Dated: August 24, 2006

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Pursuant to the Assigned Commissioner's Scoping Memo and Ruling issued on August 15, 2006 by Commissioner Dian M. Grueneich, Southwest Gas Corporation (Southwest) respectfully submits its corrections to numbers contained in the July 24, 2006 Energy Division (ED) Report on Program Year 2007 and 2008 California Alternate Rates for Energy (CARE) and Low-Income Energy Efficiency (LIEE) Programs of the Small and Multi-jurisdictional Utilities (SMJU).

I.
INTRODUCTION

Pursuant to Decision (D.) 05-07-014, Southwest filed its Application for Approval of Program Years 2007-2008 Low-Income Assistance Program Budgets on June 1, 2006 (A.06-06-002). On August 4, 2006, ALJ Kim Malcolm issued a ruling to consolidate the Small and Multi-jurisdictional Utilities' (SMJU) Applications (06-06-002 et al). ALJ Malcolm held a pre-hearing conference (PHC) by telephone on August 9, 2006 which included representatives of the SMJU, ED Staff and the Division of Ratepayer Advocates (DRA). During the PHC, the procedural schedule was revised and a date was added for the Utilities to file corrections to the numbers in the ED report by August 25, 2006.

II.
CORRECTIONS

Southwest has carefully reviewed the historic and projected data provided in the ED report and is submitting corrections to several of the numbers in the tables. Attachment A includes Southwest's corrected numbers to Tables 4 through 14, and 17 (corrections are shown in red).

III.
CONCLUSION

Southwest appreciates the ED's detailed review of its Application for Approval of Program Years 2007-2008 Low-Income Assistance Program Budgets and its subsequent Report on same, and believes the information provided herein, along with comments to be submitted by September 5, 2006, will facilitate timely approval of Southwest's requested budgets for LIEE program activity and CARE program benefits.

Southwest looks forward to continuing to work with the ED Staff, DRA and the Commission on the California Low-Income Assistance Programs.

Dated at Las Vegas, Nevada this 25th day of August, 2006.



Bridget B. Jensen
Associate General Counsel
Southwest Gas Corporation
P.O. Box 98510
5241 Spring Mountain Road
Las Vegas, Nevada 89193-8510
Phone: (702) 876-7396
Fax: (702) 252-7283
E-mail: bridget.jensen@swgas.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the **SOUTHWEST GAS CORPORATION (U 905 G) CORRECTIONS TO NUMBERS CONTAINED IN THE JULY 24, 2006 ENERGY DIVISION REPORT ON PROGRAM YEAR 2007 and 2008 CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) AND LOW-INCOME ENERGY EFFICIENCY (LIEE) PROGRAMS OF THE SMALL AND MULTI-JURISDICTIONAL UTILITIES** on each party named on the official service list in proceeding A.06-06-002, et al. by electronic mail or regular first-class mail.

Dated at Las Vegas, Nevada, this 25th day of August 2006.


An employee of Southwest Gas Corporation

APPENDIX A

TABLE 4 - PAGE 10

Historic and Proposed CARE Penetration Rates Compared with CPUC Benchmarks

Utility	Actual Residential Customers	Utility Estimated Eligible Population 12/31/2005	D.03-03-07 Adopted Target for 2004	Percentage Enrolled at 12/31/2004	D.05-07-014 Adopted Target for 2005 and 2006	Percentage Enrolled at 12/31/2006 (Expected)	Percent Enrolled at 12/31/2007 (Proposed)	Percent Enrolled at 12/31/2008 (Proposed)
SWG	128,850	40,169	93%	80%	85%	84%	93%	95%

TABLE 5 - PAGE 19

Actual and Proposed CARE Outreach Expenditures

Utility	2004 Authorized Budget	2004 Actual	2005 Authorized Budget	2005 Actual	2006 Authorized Budget	Increase in 2006 Authorized over 2005 Actual	2007 Utility Proposed Budget	Increase in 2007 Proposed over 2006 Budgeted	2008 Utility Proposed Budget	Increase in 2008 Proposed over 2007 Budgeted
SWG(1)	\$97,714	\$59,086	\$96,400	\$63,224	\$96,400	\$33,176	\$95,000	(\$1,400)	\$95,000	\$0

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 6 - PAGE 20

Historic and Proposed CARE Enrollment Compared with CPUC Benchmarks

Utility	Actual Residential Customers	Utility Estimated Eligible Population 12/31/2005	D.03-03-007 Adopted Enrollment for 2004	Enrolled at 12/31/2004	D.05-07-014 Adopted Enrollment for 12/31/2005 and 12/31/2006	Enrolled at 12/31/2005	Utility Expected Enrolled at 12/31/2006	2006 Utility Proposed Additions to Enrolled	Utility Proposed Enrolled at 12/31/2007	2007 Utility Proposed Additions to Enrolled	Utility Proposed Enrolled at 12/31/2008	2008 Utility Proposed Additions to Enrolled
SWG(1)	128,850	40,169	23,440	24,415	29,046	32,200	38,800	6,600	43,855	5,055	46,815	2,960

(1) Effective April 29, 2005, Southwest aquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 7 - PAGE 20						
Average CARE Outreach Costs Per Newly Enrolled						
Utility	2003 Average Outreach Cost	2004 Average Outreach Cost	2005 Average Outreach Cost	2006 Estimated Avg. Outreach Cost	2007 Proposed Avg. Outreach Cost	2008 Proposed Avg. Outreach Cost
SWG(1)	\$213.17	\$21.24	\$9.42	\$14.61	\$18.79	\$32.09

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 8 - PAGE 21						
Average Residential CARE Outreach Costs (2)						
Utility	2003 Average Outreach Costs	2004 Average Outreach Costs	2005 Average Outreach Costs	2006 Estimated Average Outreach Cost	2007 Proposed Average Outreach Cost	2008 Proposed Average Outreach Cost
SWG(1)(2)	\$0.80	\$0.53	\$0.50	\$0.74	\$0.72	\$0.70

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

(2) Southwest has calculated the annual average Outreach costs for non-CARE residential customers only since CARE customers pay a lower Public Purpose Program surcharge that excludes the expenses for the CARE program.

TABLE 9 - PAGE 26

CARE Processing, Certification and Verification Expenditures

Utility	2004 Authorized Budget	2004 Actual	2005 Authorized Budget	2005 Actual	2006 Authorized Budget	Increase in 2006 Authorized over 2005 Actual	2007 Utility Proposed Budget	Increase in 2007 Proposed over 2006 Budgeted	2008 Utility Proposed Budget	Increase in 2008 over 2007 Proposed
SWG(1)	\$20,402	\$19,146	\$41,900	\$58,539	\$41,900	(\$16,639)	\$42,000	\$100	\$42,000	\$0

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 10 - PAGE 20						
Avg. Processing, Certification and Verification Costs Per Newly Enrolled						
Utility	2003 Average Cost	2004 Average Cost	2005 Average Cost	2006 Estimated Average Cost	2007 Proposed Average Cost	2008 Proposed Average Cost
SWG(1)	\$51.33	\$6.88	\$8.72	\$6.35	\$8.31	\$14.19

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 11 - PAGE 27						
Avg. Residential Processing, Certification and Verification Costs						
Utility	2003 Average Cost	2004 Average Cost	2005 Average Cost	2006 Estimated Average Cost	2007 Proposed Average Cost	2008 Proposed Average Cost
SWG(1)(2)	\$0.19	\$0.17	\$0.46	\$1.08	\$0.32	\$0.31

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

(2) Southwest has calculated the annual average Processing, Certification and Verification costs for non-CARE residential customers only since CARE customers pay a lower Public Purpose Program surcharge that excludes the expenses for the CARE program.

TABLE 12 - PAGE 32

CARE General Expenditures

Utility	2004 Authorized Budget	2004 Actual	2005 Authorized Budget	2005 Actual	2006 Authorized Budget	Increase in 2006 Authorized over 2005 Actual	2007 Utility Proposed Budget	Increase in 2007 Proposed over 2006 Authorized	2008 Utility Proposed Budget	Increase in 2008 Proposed over 2007 Proposed
SWG(1)	\$5,100	\$22,092	\$33,100	\$6,685	\$33,100	\$26,415	\$34,000	\$900	\$34,000	\$0

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 13 - PAGE 32						
Avg. General Costs Per Newly Enrolled						
Utility	2003 Average Cost	2004 Average Cost	2005 Average Cost	2006 Estimated Average Cost	2007 Proposed Average Cost	2008 Proposed Average Cost
SWG(1)	\$29.15	\$7.94	\$1.00	\$5.02	\$6.73	\$11.49

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

TABLE 14 - PAGE 33						
Avg. Residential General Costs						
Utility	2003 Average Cost	2004 Average Cost	2005 Average Cost	2006 Estimated Average Cost	2007 Proposed Average Cost	2008 Proposed Average Cost
SWG(1)	\$0.11	\$0.20	\$0.05	\$0.85	\$0.26	\$0.25

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.

(2) Southwest has calculated the annual average General costs for non-CARE residential customers only since CARE customers pay a lower Public Purpose Program surcharge that excludes the expenses for the CARE program.

TABLE 17 - PAGE 35

	2005 and 2006 Approved Budget (SWG and Avista Combined)	2005 Spent	2005 Unspent (Including Carry-over from 2004)	2006 Utility Expected (Including Carry-over from 2005)	Carryover from 2005	2007 Utility Proposed	Increase (Decrease) Over 2006 Approved	2008 Utility Proposed	Increase (Decrease) Over 2007 Proposed
Southwest Gas									
Outreach	\$22,000	\$1,417	\$36,319	\$58,319	\$36,319	\$5,000	(\$17,000)	\$5,000	\$0
Inspections	\$31,500	\$50,452	(\$18,952)	\$12,548	(\$18,952)	\$40,000	\$8,500	\$40,000	\$0
General	\$173,708	\$76,422	\$151,867	\$325,575	\$151,867	\$90,000	(\$83,708)	\$90,000	\$0
Subtotal Admin	\$227,208	\$128,291	\$169,234	\$396,442	\$169,234	\$135,000	(\$92,208)	\$135,000	\$0
Weatherization	\$532,972	\$585,213	\$61,298	\$594,270	\$61,298	\$945,000	\$412,028	\$945,000	\$0
Measures	\$145,000	\$86,562	\$74,046	\$219,046	\$74,046	\$0	(\$145,000)	\$0	\$0
Energy Education	\$36,800	\$36,851	\$4,586	\$41,386	\$4,586	\$0	(\$36,800)	\$0	\$0
Subtotal Program	\$714,772	\$708,626	\$139,930	\$854,702	\$139,930	\$945,000	\$230,228	\$945,000	\$0
Total Program	\$941,980	\$836,917	\$309,164	\$1,251,144	\$309,164	\$1,080,000	\$138,020	\$1,080,000	\$0

(1) Effective April 29, 2005, Southwest acquired Avista's South Lake Tahoe service territory at which time Southwest assumed Avista's CARE and LIEE budgets. Therefore, for reporting purposes, Southwest has combined the 2005 authorized budget and actual costs.