



Southwest Gas[™] HOLDINGS

Southwest Gas Granted Arizona Rate Increase

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PHOENIX, Aug. 27 /PRNewswire/ -- The Arizona Corporation Commission (ACC) Wednesday approved a \$32 million general increase in rates charged to customers in Southwest Gas Corporation's Arizona service areas. The 10.25 percent increase will be effective September 1, 1997.

Wednesday's action by the ACC is the result of a settlement negotiated between the company, the ACC Staff, the Arizona Residential Utility Consumers Office and other intervenors. The company's filing in early November 1996 was for \$49.3 million or 15.9 percent.

Although the settlement amount was less than the company sought, it offers several positives, according to Edward S. Zub, senior vice president/Regulation and Product Pricing.

"This settlement provides the company the certainty of a reasonable increase and the benefit of having new rates in place before the start of the heating season. It also recognizes approaching deregulation by reducing subsidies between customer classes," Zub said.

Southwest Gas is a natural gas distribution company serving nearly 1.1 million customers in Arizona, Nevada and California. Nearly 633,000 of the company's customers are in Arizona.

SOURCE Southwest Gas Corporation

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