



## **Southwest Gas**<sup>™</sup> HOLDINGS

### **Southwest Gas Files General Rate Request**

May 5, 2000

PHOENIX, May 5 /PRNewswire/ -- Southwest Gas Corporation filed an application with the Arizona Corporation Commission Friday for a \$37.1 million general rate increase. General rate applications deal with the Company's costs of operating its distribution system.

If approved as requested, the new rates would add \$3.63 to an average monthly residential bill of \$30.10. A Commission decision is not expected until some time in early 2001.

"The proposed monthly residential bill is comparable to that paid by customers in the early to mid-1980s," according to Roger Montgomery, Southwest's vice president/Pricing. "The average monthly bill in Phoenix in 1986 was \$33.77. In Tucson, the average monthly bill in 1983 was \$35.35. Later this year, Southwest will remove a one-time gas cost surcharge that will reduce the average residential monthly bill proposed in the application by \$1.84, making the comparison to historic bills even more favorable."

In its application, the Company stated that despite success in controlling costs and increasing productivity, it has been unable to earn the rate of return authorized by the Commission, primarily due to inflation, declining average residential use, and financing costs to meet the growth demands of the fastest growing residential sector of the country. Southwest also proposed shifting more of its day-to-day operating costs to the basic service charge to ease the impact of weather on monthly bills.

Since the Company's last general rate case, in which the Commission examined revenue and expense levels experienced during the 12-month period ended June 30, 1996 (approximately four years ago), 101,000 new Arizona-based customers have been added and approximately \$192 million has been expended to install the facilities necessary to serve them.

Southwest Gas Corporation serves 709,000 customers in Arizona.

SOURCE Southwest Gas Corporation

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