

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Nevada Gas Tariff No. 7

Canceling 2nd Revised
1st Revised

P.U.C.N. Sheet No. 91A
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HELD FOR FUTURE USE

Issued:

April 10, 2024

Effective:

April 15, 2024

Advice Letter No.:

Issued by
Amy L. Timperley
Senior Vice President/
Chief Regulatory Officer
and Planning Officer

CONTRACT TRANSITION ADJUSTMENT PROVISION

APPLICABILITY

The Contract Transition Adjustment Provision (CTAP) applies to all rate schedules in this Nevada Gas Tariff. The Company will maintain separate CTAP accounting for its Northern Nevada Division and Southern Nevada Division.

The CTAP specifies the procedures to allow the utility to recover or return the difference in the Company's actual Base Tariff General Rate (BTGR) revenues derived from customers with discounted rate contracts or contracts for special services (collectively, Contracts) who transition to Schedule No. SG-G5, SG-G6 or NG-G5, and the amount for each customer that was included in the calculation of the Company's authorized BTGR revenues, adjusted for any increase in contract rates and revenues resulting from annual escalations of those rates and revenues due to annual changes in the gross domestic product deflator or consumer price index as applicable in the customer's Contracts.

BTGR revenues are those revenues collected through the margin portion of the fixed and variable delivery charge components of the Company's rates as stated on the Statement of Rates in this Nevada Gas Tariff and inflation adjusted revenues collected from customers served under Contracts.

TRACKING PERIOD

The initial tracking period shall be the first period including at least twelve (12) months ending September 30 following the transition of the customer from a Contract to Schedule No. SG-G5, SG-G6 or NG-G5, and each twelve (12) month period ending September 30 thereafter.

The Company will cease tracking the CTAP for a transitioning customer when that customer is included in a cost-of-service study as a Schedule No. SG-G5, SG-G6 or NG-G5 customer when rates are effective in the first general rate case filed after the customer transitions from a Contract to Schedule No. SG-G5, SG-G6 or NG-G5.

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CTAP REVENUES ADJUSTMENT DEFERRALS

An annual CTAP revenues adjustment deferral will be calculated as follows:

1. For each month of the tracking period, the difference between each transitioning customer's monthly BTGR revenues included in the calculation of the Company's authorized BTGR rates, adjusted for any increase in contract rates and revenues resulting from annual escalations of those rates and revenues due to annual changes in the gross domestic product deflator or consumer price index as applicable in the customer's Contract and the actual monthly BTGR revenues received from each customer served under Schedule Nos. SG-G5, SG-G6, and NG-G5.
2. The annual CTAP revenue deferral is equal to the sum of the tracking period monthly computations as described above. The annual CTAP deferrals calculated above shall be recorded in a separate sub-account of Account No. 182.3 (CTAP sub-account) and included in the determination of the balance used to calculate the CTAP rate. The Company shall separately track deferrals for each transitioning customer in the CTAP sub-account.

CONTRACT TRANSITION ADJUSTMENT PROVISION RATE

The CTAP rate is a per therm charge or credit applicable to each rate schedule to recover or refund any CTAP deferrals. The Company shall update the CTAP rate in its Annual Rate Adjustment Application. The CTAP rates will be calculated by dividing the balance in the CTAP sub-account at the end of the tracking period by the total therms delivered to all full margin customer classes during the tracking period.

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