



## **SOUTHWEST GAS CORPORATION**

Donald L. Soderberg, Vice President/Pricing

March 3, 2011

Attention: Julie Fitch, Director  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4004  
San Francisco, CA 94102

RE: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 861

Dear Ms. Fitch:

On February 1, 2011, Southwest Gas Corporation (Southwest) filed Advice Letter No. (AL) 861 to request authorization to establish the Environmental Compliance Cost Memorandum Account (ECCMA) to record expenditures to comply with the Assembly 32 Cost of Implementation Fee. On February 23, 2011, Southwest received suspension notification from the Energy Division regarding AL 861.

Pursuant to a discussion with the Energy Division on February 25, 2011, Southwest respectfully requests the withdrawal of AL 861. Southwest will instead submit a formal application on or around March 15, 2011, which will include the request to establish the ECCMA.

Respectfully,

SOUTHWEST GAS CORPORATION

By: \_\_\_\_\_

Donald L Soderberg

c: Richard A. Myers, Energy Division



# **SOUTHWEST GAS CORPORATION**

Donald L. Soderberg, Vice President/Pricing

February 1, 2011

ATTN: Julie A. Fitch, Director  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4004  
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 861

Dear Ms. Fitch:

Enclosed herewith are five (5) copies of Southwest Gas Corporation's Advice Letter No. 861, together with California Gas Tariff P.U.C. Sheet Nos. 7264-G through 7266-G.

Sincerely,

Donald L. Soderberg

DLS:vo  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 861

February 1, 2011

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest) (U 905 G) hereby tenders for filing the following tariff sheets.

### California Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
7264-G	Preliminary Statements ( <i>Continued</i> )	
7265-G	Table of Contents ( <i>Continued</i> )	6822-G
7266-G	Table of Contents	7263-G

### Purpose

On September 27, 2006, Governor Schwarzenegger signed Assembly Bill (AB) 32, which authorized California's Air Resources Board (ARB) to adopt measures necessary to reduce California's greenhouse gas (GHG) emissions to the 1990 level by 2020. AB 32 also provides that ARB may recover its administrative costs associated with the implementation of AB 32, which are currently estimated to be \$55 million annually, by adopting a fee on GHG emissions. The ARB has determined that there will be approximately 350 fee payers within the state of California; among those are large natural gas distributors.

California's large Investor Owned Utilities (IOUs), and the California Public Utilities Commission (Commission) have been active recently in seeking the proper means for the IOUs to record and recover their allocated ARB fees. Most recently the Commission issued Decision (D.) 10-12-026 (IOU Joint Application 10-08-002) stating the IOUs "may each file a Tier 1 advice letter to establish a memorandum account to record its actual expenditures to comply with the Assembly Bill 32 Cost of Implementation Fee..." Although it is not subject to D.10-12-026, Southwest must also comply with the mandates of AB 32. Southwest therefore submits this advice letter and requests authorization to establish the Environmental Compliance Cost Memorandum Account (ECCMA) to record Southwest's allocated portion of ARB's administrative fees.

### Effective Date

Southwest believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 pursuant to General Order 96-B. Southwest respectfully requests the tariff sheets filed herein be made effective on March 4, 2011, which is thirty (30) days from the date filed.



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February 1, 2011

**Protest**

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the filing. The protest should set forth the grounds upon which it is based and should be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

Investigation, Monitoring & Compliance Program Manager  
California Public Utilities Commission, Energy Division  
505 Van Ness Avenue, Room 4002  
San Francisco, CA 94102  
Facsimile: 415-703-2200

Copies should also be mailed to the attention of Director, Energy Division, Room 4004 at the same address as above, and mailed and faxed to:

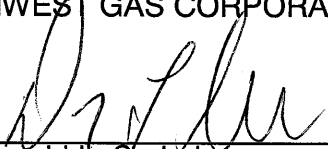
Mr. John P. Hester, Senior Vice-President  
Regulatory Affairs and Energy Resources  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Facsimile: 702-876-7037

**Service**

In accordance with General Order 96-B, General Rule 4.3, Southwest is mailing copies of this advice letter and related tariff sheets to the utilities and interested parties shown on the attached list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By   
Donald L. Soderberg

Attachments

DISTRIBUTION LIST

Advice Letter No. 861

In Conformance with G.O. 96-B, General Rule 4.3

Southern California Edison Company

Pacific Gas & Electric Company

Sierra Pacific Power Company

San Diego Gas & Electric Company

Southern California Gas Company

Southern California Water Company

R. Thomas Beach

Duane Morris, LLP

Director/Division of Ratepayer Advocates

PRELIMINARY STATEMENTS  
(Continued)

19. ENVIRONMENTAL COMPLIANCE COST MEMORANDUM ACCOUNT (ECCMA)

19A. PURPOSE

The purpose of the ECCMA is to record the Company's allocated portion of California Air Resources Board (ARB) administrative fees associated with the implementation of Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006.

19B. APPLICABILITY

Costs recorded in the ECCMA will apply to all customer classes, excluding the Company's "self-reporting" customers that are directly billed by the ARB.

19C. ACCOUNTING PROCEDURES

The Company shall make the following entries to the ECCMA:

1. Debit entries equal to the cost of the Company's allocation of the ARB administrative fees;
2. Credit entries for the recovery of any ECCMA amounts that may be authorized by the Commission; and
3. An entry to record interest on the ECCMA balance after entries (1) and (2) above are calculated as set forth in Section 12B of these Preliminary Statements.

19D. DISPOSITION

Costs recorded in the account may be recovered in rates only after request by the Company and approval by the Commission.

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The following listed sheets contain all the effective rates and rules affecting rates and service and information relating thereto in effect on and after the date indicated thereon.

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