

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 23, 2012

**Advice Letter 885G**

Don Soderberg, Vice-President/Pricing  
Southwest Gas Corporation  
P O Box 98510  
Las Vegas, NV 89193-8510

**Subject:** To update procurement charges applicable to Schedule No. GCP for core Customers and the Transportation Franchise Fee (TFF) Surcharges applicable to core and noncore customers in Southwest's California Service Areas

Dear Mr. Soderberg:

Advice Letter 885G is effective March 1, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director  
Energy Division



# SOUTHWEST GAS CORPORATION

Donald L. Soderberg, Vice President/Pricing

February 29, 2012

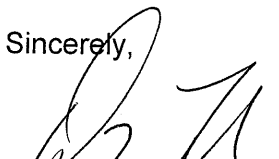
ATTN: Honesto Gatchalian  
Tariff Unit, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4005  
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 885

Dear Mr. Gatchalian:

Enclosed herewith are five (5) copies of Southwest Gas Corporation's Advice Letter No. 885, together with California Gas Tariff Sheet Nos. 65-73, and 123.

Sincerely,



Donald L. Soderberg

DLS:kt  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 885

February 29, 2012

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas) (U 905 G) tenders herewith for filing the following tariff sheets:

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal.P.U.C.Sheet No.
13th Revised Sheet No. 65	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	12th Revised Sheet No. 65
13th Revised Sheet No. 66	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	12th Revised Sheet No. 66
13th Revised Sheet No. 67	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	12th Revised Sheet No. 67*
13th Revised Sheet No. 68	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	12th Revised Sheet No. 68
13th Revised Sheet No. 69	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	12th Revised Sheet No. 69
3rd Revised Sheet No. 70	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	2nd Revised Sheet No. 70
13th Revised Sheet No. 71	Statement of Rates - Effective Rates Applicable to South Lake Tahoe District Schedules	12th Revised Sheet No. 71
13th Revised Sheet No. 72	Statement of Rates - Effective Rates Applicable to South Lake Tahoe District Schedules	12th Revised Sheet No. 72
3rd Revised Sheet No. 73	Statement of Rates - Effective Rates Applicable to South Lake Tahoe District Schedules	2nd Revised Sheet No. 73
11th Revised Sheet No. 123	Schedule No. GCP - Gas Procurement For Core Customers	10th Revised Sheet No. 123



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### **Purpose**

The purpose of this routine monthly filing is to revise the above listed tariff sheets by updating: (1) procurement charges applicable to Schedule No. GCP, Gas Procurement for Core Customers, in compliance with the Commission's letter dated October 20, 2000, approving Southwest Gas' Advice Letter No. 619; and (2) the Transportation Franchise Fee (TFF) Surcharge applicable to core and noncore customers who secure their own sources of supply, pursuant to Public Utilities Code, Sections 6350 to 6354, *et seq.*

For core sales customers, the March 2012 cost of gas, including adjustment for franchises and uncollectibles, is \$0.36326 per therm for Southwest Gas' Southern California Division, \$0.38837 per therm for Southwest Gas' Northern California Division and \$0.39359 per therm for Southwest Gas' South Lake Tahoe District.

The TFF Surcharge rate is \$0.00514 per therm for Southwest Gas' Southern California Division, \$0.00377 per therm for Southwest Gas' Northern California Division and \$0.00750 per therm for Southwest Gas' South Lake Tahoe District.

### **Effective Date**

Advice Letter No. 626 authorized Southwest Gas to make its monthly gas cost adjustment effective between the first and seventh calendar day of each month. Therefore, Southwest Gas requests the gas cost adjustments be effective March 1, 2012, and believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order 96-B.

### **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 or faxed 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 or 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



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**Notice**

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in General Order 96-B since this advice letter is filed in accordance with previously authorized procedures to change gas rates based on changes in the price of gas.

**Service**

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

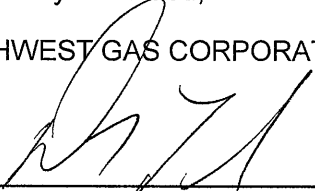
Communications regarding this filing should be directed to:

Ed Giesecking  
Director/Pricing and Tariffs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-364-3271  
E-mail: [ed.giesecking@swgas.com](mailto:ed.giesecking@swgas.com)

Debra S. Gallo  
Director/Government and State  
Regulatory Affairs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-876-7163  
E-mail: [debra.gallo@swgas.com](mailto:debra.gallo@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By   
Donald L. Soderberg

Attachments

DISTRIBUTION LIST

Advice Letter No. 885

In Conformance with General Order 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

Duane Morris, LLP

Director/Division of Ratepayer Advocates

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate	
				CPUC	PPP [4]			
<b>GS-10 - Residential Gas Service</b>								
Basic Service Charge	\$ 5.00						\$ 5.00	
Cost per Therm								
Baseline Quantities	\$ .53352	\$ .12205	\$ .65557	\$ .00068	\$ .15496	\$ .36326	\$ 1.17447	R
Tier II	.69516	.12205	.81721	.00068	.15496	.36326	1.33611	R
<b>GS-11 - Residential Air-Conditioning Gas Service</b>								
Basic Service Charge	\$ 5.00						\$ 5.00	
Cost per Therm								
Tier I	\$ .53352	\$ .12205	\$ .65557	\$ .00068	\$ .15496	\$ .36326	\$ 1.17447	R
Tier II	.69516	.12205	.81721	.00068	.15496	.36326	1.33611	R
Air-Conditioning	.32282	.12205	.44487	.00068	.15496	.36326	.96377	R
<b>GS-12 - CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00						\$ 4.00	
Cost per Therm								
Baseline Quantities	\$ .32975	\$ .12205	\$ .45180	\$ .00068	\$ .02411	\$ .36326	\$ .83985	R
Tier II	.45907	.12205	.58112	.00068	.02411	.36326	.96917	R
<b>GS-15 - Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00						\$ 6.00	
Cost per Therm	\$ .83284	\$ .12014	\$ .95298	\$ .00068	\$ .15496	\$ .36326	\$ 1.47188	R
<b>GS-20 - Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Baseline Quantities	\$ .53352	\$ .12205	\$ .65557	\$ .00068	\$ .15496	\$ .36326	\$ 1.17447	R
Tier II	.69516	.12205	.81721	.00068	.15496	.36326	1.33611	R
<b>GS-25 - Multi-Family Master Metered Gas Service - Submetered</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Baseline Quantities	\$ .53352	\$ .12205	\$ .65557	\$ .00068	\$ .15496	\$ .36326	\$ 1.17447	R
Tier II	.69516	.12205	.81721	.00068	.15496	.36326	1.33611	R
Submeter Discount per Occupied Space	\$ (8.35)						\$ (8.35)	
<b>GS-35 - Agricultural Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80						\$ 8.80	
Cost per Therm								
Summer (May - October)								
First 100	\$ .28087	\$ .10779	\$ .38866	\$ .00068	\$ .02411	\$ .36326	\$ .77671	R
Next 500	.19807	.10779	.30586	.00068	.02411	.36326	.69391	R
Next 2,400	.12327	.10779	.23106	.00068	.02411	.36326	.61911	R
Over 3,000	.00009	.10779	.10788	.00068	.02411	.36326	.49593	R
Winter (November - April)								
First 100	\$ .27782	\$ .12303	\$ .40085	\$ .00068	\$ .02411	\$ .36326	\$ .78890	R
Next 500	.19502	.12303	.31805	.00068	.02411	.36326	.70610	R
Next 2,400	.12022	.12303	.24325	.00068	.02411	.36326	.63130	R
Over 3,000	(.00295)	.12303	.12008	.00068	.02411	.36326	.50813	R

Advice Letter No. 885  
Decision No. \_\_\_\_\_

Issued by  
John P. Hester  
Senior Vice President

Date Filed February 29, 2012  
Effective March 1, 2012  
Resolution No. \_\_\_\_\_

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate	
				CPUC	PPP [4]			
<b>GS-40 - Core General Gas Service</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Cost per Therm								
Summer (May - October)								
First 100	\$ .46885	\$ .10779	\$ .57664	\$ .00068	\$ .15496	\$ .36326	\$ 1.09554	R
Next 500	.36535	.10779	.47314	.00068	.15496	.36326	.99204	R
Next 2,400	.27185	.10779	.37964	.00068	.15496	.36326	.89854	R
Over 3,000	.11788	.10779	.22567	.00068	.15496	.36326	.74457	R
Winter (November - April)								
First 100	\$ .46885	\$ .12303	\$ .59188	\$ .00068	\$ .15496	\$ .36326	\$ 1.11078	R
Next 500	.36535	.12303	.48838	.00068	.15496	.36326	1.00728	R
Next 2,400	.27185	.12303	.39488	.00068	.15496	.36326	.91378	R
Over 3,000	.11788	.12303	.24091	.00068	.15496	.36326	.75981	R
<b>GS-50 - Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Summer (May - October)	\$ .09935	\$ .10318	\$ .20253	\$ .00068	\$ .15496	\$ .36326	\$ .72143	R
Winter (November - April)	.09935	.11151	.21086	.00068	.15496	.36326	.72976	R
<b>GS-60 - Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Summer (May - October)	\$ .14448	\$ .10366	\$ .24814	\$ .00068	\$ .15496	\$ .36326	\$ .76704	R
Winter (November - April)	.14448	.12235	.26683	.00068	.15496	.36326	.78573	R
<b>GS-66 - Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Summer (May - October)	\$ .10603	\$ .10384	\$ .20987	\$ .00068		\$ .36326	\$ .57381	R
Winter (November - April)	.10603	.11891	.22494	.00068		.36326	.58888	R
<b>GS-70 - Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$ 100.00						\$ 100.00	
Cost per Therm								
Summer (May - October)	\$ .09842	\$ .06985	\$ .16827	\$ .00068	\$ .15496		\$ .32391	
Winter (November - April)	.09842	.06985	.16827	.00068	.15496		.32391	
<b>GSR - Sale for Resale Natural Gas Service</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Transportation Service Charge	\$ 780.00						\$ 780.00	
Cost per Therm								
Summer (May - October)								
First 100	\$ .46885	\$ .10779	\$ .57664	\$ .00068		\$ .36326	\$ .94058	R
Next 500	.36535	.10779	.47314	.00068		.36326	.83708	R
Next 2,400	.27185	.10779	.37964	.00068		.36326	.74358	R
Over 3,000	.11788	.10779	.22567	.00068		.36326	.58961	R
Winter (November - April)								
First 100	\$ .46885	\$ .12303	\$ .59188	\$ .00068		\$ .36326	\$ .95582	R
Next 500	.36535	.12303	.48838	.00068		.36326	.85232	R
Next 2,400	.27185	.12303	.39488	.00068		.36326	.75882	R
Over 3,000	.11788	.12303	.24091	.00068		.36326	.60485	R



STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [4]		
TFF - Transportation Franchise Fee Surcharge Provision							
TFF Surcharge per Therm							\$ .00514
MHPS - Master-Metered Mobile Home Park Safety Inspection Provision							
MHPS Surcharge per Space per Month							\$ .21000

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation/Firm Access Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$.00325 per therm for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, of this California Gas Tariff, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

	GS-10, GS-11, GS-12, GS-20, GS-25	GS-15	GS-35, GS-40, GSR	GS-50	GS-60	GS-66	GS-70
Upstream Intrastate Charges							
Storage	\$ .01209	\$ .01176					
Summer			\$ .00104	\$ .00031	\$ .00079	\$ .00097	
Winter			.01628	.00864	.01948	.01604	
Variable	.02779	.02779	.02779	.02779	.02779	.02779	\$ .02779
Interstate Reservation/Firm Access Charge	.04211	.04053	.03890	.03502	.03502	.03502	
Balancing Account Adjustments							
FCAM *	.03178	.03178	.03178	.03178	.03178	.03178	.03378
ITCAM	.00828	.00828	.00828	.00828	.00828	.00828	.00828
Total Rate Adjustment	<u>\$ .12205</u>	<u>\$ .12014</u>					
Total Rate Adjustment (Summer)			<u>\$ .10779</u>	<u>\$ .10318</u>	<u>\$ .10366</u>	<u>\$ .10384</u>	<u>\$ .06985</u>
Total Rate Adjustment (Winter)			<u>\$ .12303</u>	<u>\$ .11151</u>	<u>\$ .12235</u>	<u>\$ .11891</u>	<u>\$ .06985</u>

\* The FCAM surcharge includes an amount of \$.03378 per therm related to the difference between Southwest's authorized margin and recorded revenues intended to recover these costs.

[4] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes <\$.01158> per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1]

Schedule No. and Type of Charge	Southwest Margin	Charges [5] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [6]		
<b>GN-10 - Residential Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm							
Baseline Quantities	\$ .56970	\$ .16008	\$ .72978	\$ .00068	\$ .03742	\$ .38837	\$ 1.15625
Tier II	.68041	.16008	.84049	.00068	.03742	.38837	1.26696
<b>GN-12 - CARE Residential Gas Service</b>							
Basic Service Charge	\$ 4.00						\$ 4.00
Cost per Therm							
Baseline Quantities	\$ .34607	\$ .16008	\$ .50615	\$ .00068	\$ .02411	\$ .38837	\$ .91931
Tier II	.43464	.16008	.59472	.00068	.02411	.38837	1.00788
<b>GN-15 - Secondary Residential Gas Service</b>							
Basic Service Charge	\$ 6.00						\$ 6.00
Cost per Therm	\$ .70610	\$ .16169	\$ .86779	\$ .00068	\$ .03742	\$ .38837	\$ 1.29426
<b>GN-20 - Multi-Family Master-Metered Gas Service</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm							
Baseline Quantities	\$ .56970	\$ .16008	\$ .72978	\$ .00068	\$ .03742	\$ .38837	\$ 1.15625
Tier II	.68041	.16008	.84049	.00068	.03742	.38837	1.26696
<b>GN-25 - Multi-Family Master Metered Gas Service - Submetered</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm							
Baseline Quantities	\$ .56970	\$ .16008	\$ .72978	\$ .00068	\$ .03742	\$ .38837	\$ 1.15625
Tier II	.68041	.16008	.84049	.00068	.03742	.38837	1.26696
Submeter Discount per Occupied Space	\$ (10.95)						\$ (10.95)
<b>GN-35 - Agricultural Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>							
Basic Service Charge	\$ 8.80						\$ 8.80
Cost per Therm							
Summer (June - September)							
First 100	\$ .25957	\$ .13026	\$ .38983	\$ .00068	\$ .02411	\$ .38837	\$ .80299
Next 500	.18277	.13026	.31303	.00068	.02411	.38837	.72619
Next 2,400	.10837	.13026	.23863	.00068	.02411	.38837	.65179
Over 3,000	.01089	.13026	.14115	.00068	.02411	.38837	.55431
Winter (October - May)							
First 100	\$ .25452	\$ .15551	\$ .41003	\$ .00068	\$ .02411	\$ .38837	\$ .82319
Next 500	.17772	.15551	.33323	.00068	.02411	.38837	.74639
Next 2,400	.10332	.15551	.25883	.00068	.02411	.38837	.67199
Over 3,000	.00584	.15551	.16135	.00068	.02411	.38837	.57451

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1]

Schedule No. and Type of Charge	Southwest Margin	Charges [5] and Adjustments	Subtotal		Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
			Gas	Usage		CPUC	PPP [6]		
<b>GN-40 - Core General Gas Service</b>									
Basic Service Charge	\$ 11.00								\$ 11.00
Cost per Therm									
Summer (June - September)									
First 100	\$ .45412	\$ .13026	\$ .58438	\$ .00068	\$ .03742	\$ .38837			\$ 1.01085
Next 500	.35812	.13026	.48838	.00068	.03742	.38837			.91485
Next 2,400	.26512	.13026	.39538	.00068	.03742	.38837			.82185
Over 3,000	.14327	.13026	.27353	.00068	.03742	.38837			.70000
Winter (October - May)									
First 100	\$ .45412	\$ .15551	\$ .60963	\$ .00068	\$ .03742	\$ .38837			\$ 1.03610
Next 500	.35812	.15551	.51363	.00068	.03742	.38837			.94010
Next 2,400	.26512	.15551	.42063	.00068	.03742	.38837			.84710
Over 3,000	.14327	.15551	.29878	.00068	.03742	.38837			.72525
<b>GN-50 - Core Natural Gas Service for Motor Vehicles</b>									
Basic Service Charge	\$ 25.00								\$ 25.00
Cost per Therm									
Summer (June - September)									
Summer (June - September)	\$ .07287	\$ .11589	\$ .18876	\$ .00068	\$ .03742	\$ .38837			\$ .61523
Winter (October - May)	.07287	.14708	.21995	.00068	.03742	.38837			.64642
<b>GN-60 - Core Internal Combustion Engine Gas Service</b>									
Basic Service Charge	\$ 25.00								\$ 25.00
Cost per Therm									
Summer (June - September)									
Summer (June - September)	\$ .77630	\$ .11589	\$ .89219	\$ .00068	\$ .03742	\$ .38837			\$ 1.31866
Winter (October - May)	.77630	.14401	.92031	.00068	.03742	.38837			1.34678
<b>GS-66 - Core Small Electric Power Generation Gas Service</b>									
Basic Service Charge	\$ 25.00								\$ 25.00
Cost per Therm									
Summer (May - October)									
Summer (May - October)	\$ .09028	\$ .13026	\$ .22054	\$ .00068		\$ .38837			\$ .60959
Winter (November - April)	.09028	.15551	.24579	.00068		.38837			.63484
<b>GN-70 - Noncore General Gas Transportation Service</b>									
Basic Service Charge	\$ 100.00								\$ 100.00
Cost per Therm									
Summer (June - September)									
Summer (June - September)	\$ .14698	\$ (.03688)	\$ .11010	\$ .00068	\$ .03742				\$ .14820
Winter (October - May)	.14698	(.03688)	.11010	.00068	.03742				.14820
<b>TFF - Transportation Franchise Fee Surcharge Provision</b>									
TFF Surcharge per Therm									\$ .00377
<b>MHPS - Master-Metered Mobile Home Park Safety Inspection Provision</b>									
MHPS Surcharge per Space per Month									\$ .21000

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1]

Schedule No. and Type of Charge	Southwest Margin	Charges [5] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [6]		

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$.00291 per therm for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, of this California Gas Tariff, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] In addition to the Effective Sales Rate, a Facilities Surcharge per therm applies to all natural gas volumes delivered in the Utility's Northern California Expansion Areas pursuant to the provisions of Section 16 of the Preliminary Statements of this California Gas Tariff.

[4] A Franchise Fee differential of 2.5% will be applied to monthly billings calculated for all rate schedules for all customers within the limits of the Town of Truckee.

[5] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

	GN-10, GN-12, GN-20, GN-25	GN-15	GN-35, GN-40	GN-50	GN-60	GN-66	GN-70
Upstream Intrastate Charges							
Reservation	\$ .17968	\$ .18110	\$ .17365	\$ .15928	\$ .15928	\$ .17365	
Storage	.02379	.02398					
Summer			.00000	.00000	.00000	.00000	
Winter			.02525	.03119	.02812	.02525	
FCAM Balancing Account Adjustment *	(.04339)	(.04339)	(.04339)	(.04339)	(.04339)	(.04339)	\$ (.03688)
Total Rate Adjustment	<u>\$ .16008</u>	<u>\$ .16169</u>					
Total Rate Adjustment (Summer)			<u>\$ .13026</u>	<u>\$ .11589</u>	<u>\$ .11589</u>	<u>\$ .13026</u>	<u>\$ (.03688)</u>
Total Rate Adjustment (Winter)			<u>\$ .15551</u>	<u>\$ .14708</u>	<u>\$ .14401</u>	<u>\$ .15551</u>	<u>\$ (.03688)</u>

\* The FCAM surcharge includes an amount of <\$.03688> per therm related to the difference between Southwest's authorized margin and recorded revenues intended to recover these costs.

[6] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes \$.00193 per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES[1] [2]

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [4]		
<b>STL-10 - Residential Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm							
Baseline Quantities	\$ .16644	\$ .20056	\$ .36700	\$ .00068	\$ .03742	\$ .39359	\$ .79869
Tier II	.26740	.20056	.46796	.00068	.03742	.39359	.89965
<b>STL-12 - CARE Residential Gas Service</b>							
Basic Service Charge	\$ 4.00						\$ 4.00
Cost per Therm							
Baseline Quantities	\$ .01432	\$ .20056	\$ .21488	\$ .00068	\$ .02411	\$ .39359	\$ .63326
Tier II	.09509	.20056	.29565	.00068	.02411	.39359	.71403
<b>STL-15 - Secondary Residential Gas Service</b>							
Basic Service Charge	\$ 6.00						\$ 6.00
Cost per Therm	\$ .25158	\$ .20218	\$ .45376	\$ .00068	\$ .03742	\$ .39359	\$ .88545
<b>STL-20 - Multi-Family Master-Metered Gas Service</b>							
Basic Service Charge per Month per Dwelling	\$ 11.00						\$ 11.00
Cost per Therm							
Baseline Quantities	\$ .16644	\$ .20056	\$ .36700	\$ .00068	\$ .03742	\$ .39359	\$ .79869
Tier II	.26740	.20056	.46796	.00068	.03742	.39359	.89965
<b>STL-25 - Multi-Family Master Metered Gas Service - Submetered</b>							
Basic Service Charge per Month per Dwelling	\$ 11.00						\$ 11.00
Cost per Therm							
Baseline Quantities	\$ .16644	\$ .20056	\$ .36700	\$ .00068	\$ .03742	\$ .39359	\$ .79869
Tier II	.26740	.20056	.46796	.00068	.03742	.39359	.89965
Submeter Discount per Occupied Space	\$ (5.65)						\$ (5.65)
<b>STL-35 - Agricultural Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>							
Basic Service Charge	\$ 8.80						\$ 8.80
Cost per Therm							
Summer (May - October)							
First 100	\$ .04430	\$ .17033	\$ .21463	\$ .00068	\$ .02411	\$ .39359	\$ .63301
Next 500	.03230	.17033	.20263	.00068	.02411	.39359	.62101
Next 2,400	.02030	.17033	.19063	.00068	.02411	.39359	.60901
Over 3,000	.00114	.17033	.17147	.00068	.02411	.39359	.58985
Winter (November - April)							
First 100	\$ .03919	\$ .19592	\$ .23511	\$ .00068	\$ .02411	\$ .39359	\$ .65349
Next 500	.02719	.19592	.22311	.00068	.02411	.39359	.64149
Next 2,400	.01519	.19592	.21111	.00068	.02411	.39359	.62949
Over 3,000	(.00398)	.19592	.19194	.00068	.02411	.39359	.61032

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES[1][2]

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [4]		
<b>STL-40 - Core General Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm							
Summer (May - October)							
First 100	\$ .19636	\$ .17033	\$ .36669	\$ .00068	\$ .03742	\$ .39359	\$ .79838
Next 500	.18136	.17033	.35169	.00068	.03742	.39359	.78338
Next 2,400	.16636	.17033	.33669	.00068	.03742	.39359	.76838
Over 3,000	.14240	.17033	.31273	.00068	.03742	.39359	.74442
Winter (November - April)							
First 100	\$ .19636	\$ .19592	\$ .39228	\$ .00068	\$ .03742	\$ .39359	\$ .82397
Next 500	.18136	.19592	.37728	.00068	.03742	.39359	.80897
Next 2,400	.16636	.19592	.36228	.00068	.03742	.39359	.79397
Over 3,000	.14240	.19592	.33832	.00068	.03742	.39359	.77001
<b>STL-50 - Core Natural Gas Service for Motor Vehicles</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm							
Summer (May - October)	\$ .14360	\$ .15577	\$ .29937	\$ .00068	\$ .03742	\$ .39359	\$ .73106
Winter (November - April)	.14360	.18738	.33098	.00068	.03742	.39359	.76267
<b>STL-60 - Core Internal Combustion Engine Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm							
Summer (May - October)	\$ .16344	\$ .15577	\$ .31921	\$ .00068	\$ .03742	\$ .39359	\$ .75090
Winter (November - April)	.16344	.18428	.34772	.00068	.03742	.39359	.77941
<b>GS-66 - Core Small Electric Power Generation Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm							
Summer (May - October)	\$ .09554	\$ .17033	\$ .26587	\$ .00068		\$ .39359	\$ .66014
Winter (November - April)	.09554	.19592	.29146	.00068		.39359	.68573
<b>STL-70 - Noncore General Gas Transportation Service</b>							
Basic Service Charge	\$ 100.00						\$ 100.00
Cost per Therm							
Summer (May - October)	\$ .13518	\$ .00095	\$ .13613	\$ .00068	\$ .03742		\$ .17423
Winter (November - April)	.13518	.00095	.13613	.00068	.03742		.17423
<b>TFF - Transportation Franchise Fee Surcharge</b>							
TFF Surcharge per Therm							\$ .00750
<b>MHPS - Master-Metered Mobile Home Park Safety Inspection Provision</b>							
MHPS Surcharge per Space per Month							\$ .21000

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES[1] [2]**

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [4]		

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$.00295 for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation service will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, of this California Gas Tariff, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

	SLT-10, SLT-12, SLT-20, SLT-25	SLT-15	SLT-35, SLT-40, SLT-66	SLT-50	SLT-60	SLT-70
Upstream Intrastate Charges						
Reservation	\$ .18210	\$ .18353	\$ .17598	\$ .16142	\$ .16142	
Storage	.02411	.02430				
Summer			.00000	.00000	.00000	
Winter			.02559	.03161	.02851	
FCAM Balancing Account Adjustment *	(.00565)	(.00565)	(.00565)	(.00565)	(.00565)	\$ .00095
Total Rate Adjustment	\$ .20056	\$ .20218				
Total Rate Adjustment (Summer)			\$ .17033	\$ .15577	\$ .15577	\$ .00095
Total Rate Adjustment (Winter)			\$ .19592	\$ .18738	\$ .18428	\$ .00095

\* The FCAM surcharge includes an amount of \$0.00095 per therm related to the difference between Southwest's authorized margin and recorded revenues intended to recover these costs.

[4] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. PPS-292. The PPP Surcharge includes \$.00193 per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

Schedule No. GCP

GAS PROCUREMENT FOR CORE CUSTOMERS

APPLICABILITY

Applicable to core customers who purchase natural gas from the Company. Service under this schedule will be provided in conjunction with the customer's otherwise applicable sales rate schedule.

TERRITORY

Throughout the Company's certificated California service areas, except as may hereafter be provided.

RATES

The Company shall adjust the Cost of Gas for this schedule monthly to reflect its estimated average gas costs. This revised rate shall become effective between the first and seventh calendar day of each month.

Procurement Charges:

Southern California

Cost of Gas	\$ .35681
F&U	<u>.00645</u>
Total	\$ .36326

Northern California

Cost of Gas	\$ .38418
F&U	<u>.00419</u>
Total	\$ .38837

South Lake Tahoe

Cost of Gas	\$ .38418
F&U	<u>.00941</u>
Total	\$ .39359

Advice Letter No. 885  
Decision No. \_\_\_\_\_

Issued by  
John P. Hester  
Senior Vice President

Date Filed February 29, 2012  
Effective March 1, 2012  
Resolution No. \_\_\_\_\_

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**SOUTHWEST GAS CORPORATION  
CALCULATION OF MONTHLY CORE PROCUREMENT CHARGES  
FOR THE MONTH OF MARCH 2012**

Line No.	Description (a)	Amount (b)	Line No.
<u>Southern California</u>			
1	Projected Cost of Gas [1]	\$ 0.35241	1
2	Monthly Account No. 191 Surcharge [2]	0.00440	2
3	Subtotal	<u>\$ 0.35681</u>	3
4	Franchise & Uncollectibles @ 1.8067% [3]	<u>0.00645</u>	4
5	Total March Core Procurement Charge	<u><u>\$ 0.36326</u></u>	5
<u>Northern California</u>			
6	Projected Cost of Gas [4]	\$ 0.36580	6
7	Monthly Account No. 191 Surcharge [5]	0.01838	7
8	Subtotal	<u>\$ 0.38418</u>	8
9	Franchise & Uncollectibles @ 1.0906% [3]	<u>0.00419</u>	9
10	Total March Core Procurement Charge	<u><u>\$ 0.38837</u></u>	10
<u>South Lake Tahoe</u>			
11	Projected Cost of Gas [4]	\$ 0.36580	11
12	Monthly Account No. 191 Surcharge [5]	0.01838	12
13	Subtotal	<u>\$ 0.38418</u>	13
14	Franchise & Uncollectibles @ 2.4488% [3]	<u>0.00941</u>	14
15	Total March Core Procurement Charge	<u><u>\$ 0.39359</u></u>	15

[1] Schedule I, Sheet 2.

[2] Schedule I, Sheet 4.

[3] Order Approving Southwest Application 07-12-022 (D.08-11-048).

[4] Schedule I, Sheet 3.

[5] Schedule I, Sheet 5.

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA  
CALCULATION OF PROJECTED MONTHLY GAS COST  
FOR THE MONTH OF MARCH 2012**

Line No.	Description (a)	Dth (b)	Average Cost Per Unit (c)	Amount (d)	Line No.
<u>City Gate Demand and Storage Injections</u>					
1	Total City Gate Demand	920,625			1
2	Purchases for Storage Injection (Dth at City Gate) [3]	368,503			2
2	Total Demand and Storage Injections	1,289,128			2
<u>Southern California Gas Purchases into El Paso Mainline</u>					
3	Term Purchases	114,700	\$ 6.0434	\$ 693,176	3
4	First of Month Purchases [1]	139,159	2.3875	332,242	4
5	Spot Purchases [1]	-	-	-	5
6	In Kind Fuel	(5,864)	-	-	6
7	El Paso Variable Transmission	247,995	\$ 0.0209	5,183	7
8	El Paso Basin Gas delivered to California Border			\$ 1,030,601	8
<u>Southern California Basin Gas Purchases into Transwestern</u>					
9	Term Purchases	334,800	\$ 4.8345	\$ 1,618,588	9
10	First of Month Purchases [1]	237,212	2.3625	560,413	10
11	Spot Purchases [1]	-	-	-	11
12	In Kind Fuel	(14,014)	-	-	12
13	Transwestern Variable Transmission	557,998	\$ 0.0130	7,254	13
14	Transwestern Basin Gas Delivered to California Border			\$ 2,186,255	14
<u>Southern California Border Gas Purchases</u>					
15	Term Purchases	-	\$ -	\$ -	15
16	First of Month Purchases [1]	483,135	2.7450	1,326,206	16
17	Spot Purchases [1]	-	-	-	17
18	Total Border Gas Purchases			\$ 1,326,206	18
<u>Storage Withdrawals</u>					
19	Projected Volume	-	\$ -	0	19
20	O&M Withdrawal Variable Charge	-	-	-	20
21	Total Average Cost of Gas	-	\$ -	\$ -	21
22	Total Cost of Gas at City Gate [2]	1,289,128	\$ 3.5241	\$ 4,543,061	22

[1] Based on February 15, 2012 first of the month forwards.

[2] Excludes storage and interstate pipeline fixed charges and intrastate transportation.

[3] Does not include gas scheduled directly to storage.

**SOUTHWEST GAS CORPORATION  
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT  
CALCULATION OF PROJECTED MONTHLY GAS COST  
FOR THE MONTH OF MARCH 2012**

Line No.	Description (a)	Dth (b)	Average Cost Per Unit (c)	Amount (d)	Line No.
1	Total City Gate Demand (Dth-Net)	<u>532,649</u>			1
2	Projected Purchases Into NWPL [1], [5]	266,945	\$ 4.8721	\$ 1,300,580	2
3	Projected Purchases Into Tuscarora [1]	278,770	2.2887	638,030	3
4	Projected Purchases Into Paiute [1]	-	-	-	4
5	Total Projected Gas Purchases into Mainline		<u>\$ 3.6396</u>	<u>\$ 1,938,610</u>	5
	<u>Transportation Cost</u>				
6	NWPL Volumetric Charge [2]	262,540	\$ 0.0318	\$ 8,349	6
7	Paiute Volumetric Charge [3]	532,649	0.0018	959	7
8	Tuscarora Volumetric Charge [4]	278,770	0.0018	502	8
9	Total Transportation Variable Cost		<u>\$ 0.0184</u>	<u>\$ 9,809</u>	9
10	Total Cost at the City Gate (Excluding LNG and Pipeline Fixed Charges)	<u>532,649</u>	<u>\$ 3.6580</u>	<u>\$ 1,948,419</u>	10

- [1] Based on February 15, 2012 first of the month forwards.  
[2] NWPL less in-kind fuel at 1.65%.  
[3] Paiute less in-kind fuel at 1.60%.  
[4] Tuscarora less in-kind fuel at 0.00%.  
[5] Assumes no volume is dispatched from LNG.

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA  
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENTS  
FOR THE MONTH OF MARCH 2012**

Line No.	Description (a)	Estimated February Activity (b)	March Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for January 2012		\$ 807,402	1
2	December Imbalance Traded into Storage		(182,172)	2
3	No Imbalance Activity for February		-	3
4	Adjusted Ending Balance		<u>\$ 625,230</u>	4
5	January Rate	\$ (0.00293)		5
6	February Rate	<u>0.00305</u>		6
7	Average Rate	<u>\$ 0.00006</u>		7
8	Estimated February Sales	18,001,801		8
9	Estimated February Acct. No. 191 Activity (Line 7 x Line 8)		\$ (1,080)	9
10	Estimated February Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ 624,150</u>	10
11	Twelve Months Projected Sales		<u>141,903,922</u>	11
12	March Surcharge (Line 10 / Line 11)		<u><u>\$ 0.00440</u></u>	12

**SOUTHWEST GAS CORPORATION  
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT  
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENT  
FOR THE MONTH OF MARCH 2012**

Line No.	Description (a)	Estimated February Activity (b)	March Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for January 2012		\$ 825,901	1
2	January Rate	\$ (0.00734)		2
3	February Rate	0.01048		3
4	Average Rate	<u>\$ 0.00157</u>		4
5	Estimated February Sales	6,336,662		5
6	Estimated February Acct. No. 191 Activity (Line 4 x Line 5)		\$ (9,949)	6
7	Estimated February Acct. No. 191 Ending Balance		<u>\$ 815,952</u>	7
8	Twelve Months Projected Sales		<u>44,382,072</u>	8
9	March Surcharge (Line 7 / Line 8)		<u><u>\$ 0.01838</u></u>	9

**SOUTHWEST GAS CORPORATION  
 CALCULATION OF TRANSPORTATION FRANCHISE FEE (TFF) SURCHARGE  
 FOR THE MONTH OF MARCH 2012**

Line No.	Description (a)	(\$/therm) (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.35241	1
2	Franchise Tax @ 1.4595% [2]	\$ 0.00514	2
<u>Northern California</u>			
3	Estimated Cost of Gas [1]	\$ 0.36580	3
4	Franchise Tax @ 1.0306% [2]	\$ 0.00377	4
<u>South Lake Tahoe</u>			
5	Estimated Cost of Gas [1]	\$ 0.36580	5
6	Franchise Tax @ 2.0490% [2]	\$ 0.00750	6

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Application 07-12-022 (D.08-11-048).