



SOUTHWEST GAS CORPORATION

Justin Lee Brown , Vice President/Regulation and Public Affairs

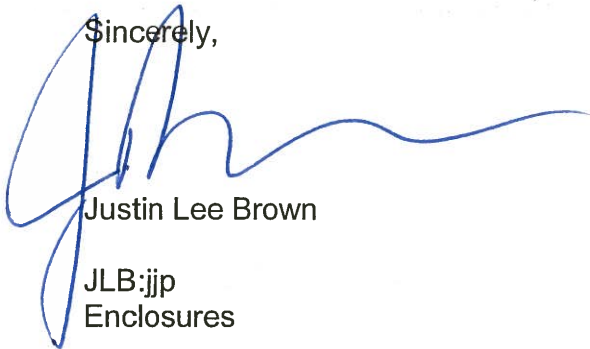
January 14, 2015

ATTN: 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. 966

Enclosed herewith are an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 966, together with California Gas Tariff Sheet No. 22.

Sincerely,



Justin Lee Brown

JLB:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 966

January 14, 2015

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

California Gas Tariff		
Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal.P.U.C.Sheet No.
5th Revised Sheet No. 22	Preliminary Statement (<i>Continued</i>)	4th Revised Sheet No. 22

Purpose

The purpose of this filing is to adjust the tax factor reflected in the Preliminary Statement of Southwest Gas' California Gas Tariff (Tariff) to reflect a change to the Income Tax Component of Contributions and Advances (ITCCA).

Pursuant to D.87-09-026 and Preliminary Statement 13, Section D. in Southwest Gas' Tariff, the Company must submit to the California Public Utilities Commission (Commission) an advice letter filing to reflect any changes in the tax factor which would cause an increase or decrease of 5 percentage points or more. On December 19, 2014, President Obama signed into law legislation H.R. 5771, the Tax Increase Prevention Act of 2014 (Act), which extends through 2014 a number of temporary tax incentives that lapsed at the end of 2013. The Act retroactively extended the Federal Depreciation Provisions of the Internal Revenue Code tax factor of 22% through December 31, 2014. As such, the ITCCA tax factor will revert to 35% for contributions received on and after January 1, 2015.

Additionally, Southwest Gas will issue refunds for the difference in the ITCCA tax factor to customers that have paid the 35% tax factor during this timeframe.

Southwest Gas hereby revises Preliminary Statement 13, Sheet No. 22, to provide a footnote to denote the 22% tax factor and the applicable time period for which it applies. However, since the temporary extension expired on December 31, 2014, the 35% tax factor currently referenced in Southwest Gas' tariff shall continue to apply and be applicable to contributions received on or after January 1, 2015. Attachment 1 illustrates the calculation of the tax factor.



Advice Letter No. 966
Page 2
January 14, 2015

Effective Date

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as a Tier 1 filing (effective pending disposition) pursuant to GO 96-B. Southwest Gas respectfully requests this Advice Letter be approved and made effective January 1, 2014, the date on which the additional depreciation allowance is extended, as set forth in Section 125 of H.R. 5771.

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. Justin Lee Brown
Vice President/Regulation and Public Affairs
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Facsimile: 702-364-3452

Notice

Southwest Gas believes noticing requirements set forth in General Rule 4.2 in G.O. 96-B are not applicable since this filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedules or rules.

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.



Advice Letter No. 966
Page 3
January 14, 2015

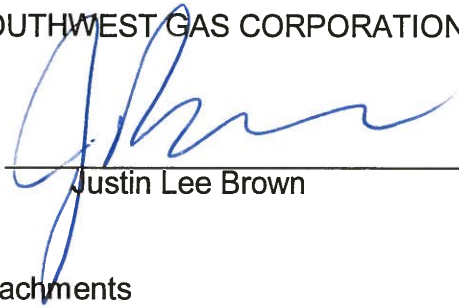
Communications regarding this filing should be directed to:

Valerie J. Ontiveroz
Regulatory Manager/California
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510
Telephone: 702-876-7323
E-mail: valerie.ontiveroz@swgas.com

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By



Justin Lee Brown

Attachments

DISTRIBUTION LIST

Advice Letter No. 966

In Conformance with General Order 96-B, General Rule 4.3

The following individual has been served by regular, first-class mail:

Joe Como, Acting Director
Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94105

The following individuals or entities have been served by electronic mail (email):

Pacific Gas & Electric Company
PG&ETariffs@pge.com

Southern California Gas Company
SNewsom@semprautilities.com

San Diego Gas & Electric Company
SDG&ETariffs@SempraUtilities.com

Robert M. Pocta
Office of Ratepayer Advocates
California Public Utilities Commission
rmp@cpuc.ca.gov

Nathaniel Skinner
Office of Ratepayer Advocates
California Public Utilities Commission
nws@cpuc.ca.gov

Pearlie Sabino
Office of Ratepayer Advocates
California Public Utilities Commission
pzs@cpuc.ca.gov

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905 G)**

Utility type:

ELC GAS

PLC HEAT WATER

Contact Person: **Valerie Ontiveroz**

Phone #: **(702) 876-7323**

E-mail: **Valerie.ontiveroz@swgas.com**

EXPLANATION OF UTILITY TYPE

ELC = Electric
PLC = Pipeline

GAS = Gas
HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **966**

Subject of AL: **Revision of the Income Tax Component of Contributions and Advances for Construction (ITCC) and Request for Authority to Issue Refunds for Retroractive Changes to the ITCC for 2014.**

Keywords (choose from CPUC listing): **ITCC**

AL filing type: Monthly Quarterly Annual One-Time Other **Periodic**

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.87-09-026 and D.87-12-028

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL **Not applicable**

Summarize differences between the AL and the prior withdrawn or rejected AL: **Not applicable**

Resolution Required? Yes No

Requested effective date: **January 1, 2014**

No. of tariff sheets: **1**

Estimated system annual revenue effect: **Not applicable**

Estimated system average rate effect (%): **Not applicable**

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **Preliminary Statement**

Service affected and changes proposed¹: **Not applicable**

Pending advice letters that revise the same tariff sheets: **Not applicable**

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
E-mail: edtariffunit@cpuc.ca.gov**

**Utility Info (including e-mail)
Mr. Justin Lee Brown,
Vice-President/Regulation & Public Affairs
Southwest Gas Corporation
P. O. Box 98510
Las Vegas, NV 89193-8510
E-mail: justin.brown@swgas.com
Facsimile: 702-364-3452**

¹ Discuss in AL if more space is needed.

PRELIMINARY STATEMENT
(Continued)

13. INCOME TAX COMPONENT OF CONTRIBUTIONS AND ADVANCES (Continued)

13C. APPLICABILITY

Income tax shall be collected on Contributions and Advances under the Company's California Gas Tariff, including but not limited to Rule Nos. 13, 15 and 16.

A Public Benefit Exemption may apply on a Contribution or Advance made to the Company by a government agency on the basis of either:

1. The Contribution or Advance is made pursuant to actual condemnation or the threat thereof as recognized by Internal Revenue Code Section 1033; or
2. The Contribution or Advance does not reasonably relate to the provision of service, but rather to the benefit of the public at large.

13D. DETERMINATION

The Income Tax Component of Contributions and Advances shall be calculated by multiplying the balance of the Applicant's Contributions and Advances by the tax factor of 35 percent beginning January 1, 2015, and thereafter¹.

The Company will submit to the Commission an advice letter filing to reflect any changes in the tax factor which would cause an increase or decrease of 5 percentage points or more.

The tax factor is established by using Method 5 as set forth in Decision Nos. 87-09-026 and 87-12-028 in Order Instituting Investigation 86-11-019.

The tax factors in Section 13D shall apply to all Contributions and Advances in accordance with Section D.6 of Rule No. 15, Gas Main Extensions, and Section E.4. of Rule No. 16, Gas Service Extensions of this California Gas Tariff.

¹ Pursuant to the Tax Increase Prevention Act of 2014 which retroactively extended the Federal Depreciation Provisions of the Internal Revenue Code through December 31, 2014, the Tax factor of 22% is applicable to contributions received by Southwest Gas between January 1, 2014 and December 31, 2014.

**SOUTHWEST GAS CORPORATION
CIAC GROSS-UP COMPUTATION INCLUDING CALIFORNIA TAXES
WITH 50% BONUS DEPRECIATION ON 20 YEAR PROPERTY**

Effective January 1, 2014 (REVISED as a result of The Tax Increase Prevention Act of 2014)

Year	Tax Pmt/(Ben) Reflecting CIAC of \$1000	Tax Basis	California Depreciation Rates	California Rates	State Tax Benefit	MACRS Tax 50% Bonus Depr Rate	Federal Tax Rate	Federal Tax Benefit	Remaining CIAC Payable	Wtd Avg Unrecovered Tax Payment	Rate of Return	Revenue Requirement on Remaining Investment	Discount Factor 12.00%	Discounted Revenue Requirement on Remaining Investment
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	438.40	1,000	2.857%	8.840%	2,5256	51.875%	35.00%	181.5625	254.3119	346.3560	17.00%	58.8805	0.8929	52.5719
2	(30.94)		5.551%		4.9071	3.610%		11.7510	206.7138	230.5128	17.00%	39.1872	0.7972	31.2398
3			5.234%		4.6269	3.339%		9.9690	192.1179	199.4158	17.00%	33.9007	0.7118	24.1298
4			4.935%		4.3625	3.089%		9.1921	178.5633	185.3406	17.00%	31.5079	0.6355	20.0238
5			4.653%		4.1133	2.857%		8.4726	165.9774	172.2703	17.00%	29.2860	0.5674	16.6176
6			4.387%		3.8781	2.643%		7.8109	154.2884	160.1329	17.00%	27.2226	0.5066	13.7918
7			4.137%		3.6571	2.444%		7.1967	143.4347	148.8615	17.00%	25.3065	0.4523	11.4474
8			3.901%		3.4485	2.261%		6.6335	133.3527	138.3937	17.00%	23.5269	0.4039	9.5021
9			3.678%		3.2514	2.231%		6.6015	123.4998	128.4262	17.00%	21.8325	0.3606	7.8730
10			3.468%		3.0657	2.231%		6.6705	113.7635	118.6317	17.00%	20.1674	0.3220	6.4934
11			3.270%		2.8907	2.231%		6.7355	104.1374	108.9505	17.00%	18.5216	0.2875	5.3245
12			3.084%		2.7263	2.231%		6.7968	94.6143	99.3759	17.00%	16.8939	0.2567	4.3362
13			2.908%		2.5707	2.231%		6.8543	85.1894	89.9019	17.00%	15.2833	0.2292	3.5025
14			2.742%		2.4239	2.231%		6.9088	75.8567	80.5230	17.00%	13.6889	0.2046	2.8010
15			2.585%		2.2851	2.231%		6.9601	66.6114	71.2340	17.00%	12.1098	0.1827	2.2124
16			2.438%		2.1552	2.231%		7.0087	57.4475	62.0295	17.00%	10.5450	0.1631	1.7201
17			2.299%		2.0323	2.231%		7.0542	48.3610	53.8542	17.00%	8.9937	0.1456	1.3099
18			2.168%		1.9165	2.231%		7.0972	39.3473	43.8043	17.00%	7.4552	0.1300	0.9695
19			2.040%		1.8034	2.231%		7.1377	30.4062	34.8768	17.00%	5.9291	0.1161	0.6884
20			2.040%		1.8034	2.231%		7.1773	21.4255	25.9159	17.00%	4.4057	0.1037	0.4567
21			2.040%		1.8034	2.231%		3.2538	16.3684	18.8970	17.00%	3.2125	0.0926	0.2973
22			2.040%		1.8034	2.231%		(0.6312)	15.1962	15.7823	17.00%	2.6830	0.0826	0.2217
23			2.040%		1.8034	2.231%		(0.6312)	14.0240	14.6101	17.00%	2.4837	0.0738	0.1833
24			2.040%		1.8034	2.231%		(0.6312)	12.8518	13.4379	17.00%	2.2844	0.0659	0.1505
25			2.040%		1.8034	2.231%		(0.6312)	11.6796	12.2657	17.00%	2.0852	0.0588	0.1227
26			2.040%		1.8034	2.231%		(0.6312)	10.5074	11.0935	17.00%	1.8859	0.0525	0.0990
27			2.040%		1.8034	2.231%		(0.6312)	9.3353	9.9214	17.00%	1.6866	0.0469	0.0791
28			2.040%		1.8034	2.231%		(0.6312)	8.1631	8.7492	17.00%	1.4874	0.0419	0.0623
29			2.040%		1.8034	2.231%		(0.6312)	6.9909	7.5770	17.00%	1.2881	0.0374	0.0482
30			2.040%		1.8034	2.231%		(0.6312)	5.8187	6.4048	17.00%	1.0888	0.0334	0.0363
31			2.040%		1.8034	2.231%		(0.6312)	4.6465	5.2326	17.00%	0.8895	0.0298	0.0265
32			2.040%		1.8034	2.231%		(0.6312)	3.4743	4.0604	17.00%	0.6903	0.0266	0.0184
33			2.040%		1.8034	2.231%		(0.6312)	2.3022	2.8882	17.00%	0.4910	0.0238	0.0117
34			2.040%		1.8034	2.231%		(0.6312)	1.1300	1.7161	17.00%	0.2917	0.0212	0.0062
35			2.040%		1.8034	2.231%		(0.6312)	(0.0422)	0.5439	17.00%	0.0925	0.0189	0.0018
36			1.025%		0.9061	2.231%		(0.6312)	(0.3171)	(0.1797)	17.00%	(0.0305)	0.0169	(0.0005)
37								(0.3171)	0.0000	(0.1586)	17.00%	(0.0270)	0.0151	(0.0004)
			100.000%		88.4000	100.000%		319.0600				447.2274		218.3760
								407.4600						21.84%
														22%

407.46 1,000.00

218.3760 / 1000

Gross-up Rate