



SOUTHWEST GAS CORPORATION

Justin Lee Brown, Vice President/Regulation and Public Affairs

January 20, 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. 967

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 967, together with California Gas Tariff Sheet Nos. 2 and 45.4 – 45.6.

Sincerely,

Justin Lee Brown
Vice President/Regulation & Public Affairs

JLB:kl
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 967

January 20, 2015

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas) (U 905 G) tenders herewith 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.
3rd Revised Sheet No. 2	Table of Contents	2nd Revised Sheet No. 2
Original Sheet No. 45.4	Preliminary Statement (<i>Continued</i>) Greenhouse Gas Balancing Account (GHGBA)	
Original Sheet No. 45.5	Preliminary Statement (<i>Continued</i>) Greenhouse Gas Balancing Account (GHGBA) (<i>Continued</i>)	
Original Sheet No. 45.6	Preliminary Statement (<i>Continued</i>) Greenhouse Gas Memorandum Account (GHGMA)	

Purpose

The purpose of this filing is to revise the Preliminary Statement of Southwest Gas' California Gas Tariff to establish two new accounts, 1) the Greenhouse Gas Balancing Account (GHGBA) and 2) the Greenhouse Gas Memorandum Account (GHGMA) in accordance with Ordering Paragraph (OP) 6 in Decision (D.) 14-12-040.

The California Public Utilities Commission (Commission) authorized utilities in D.14-12-040 to establish 1) a two-way balancing account to track and record costs incurred to comply with the California Air Resource Board's (ARB) natural gas supplier Cap-and-Trade Program and revenues from consignment of the Company's natural gas supplier GHG allowances for auction under the Cap-and-Trade Program, and 2) a memorandum account to track Southwest Gas' Greenhouse Gas administrative costs incurred to comply with the ARB natural gas supplier Cap-and-Trade Program.



Advice Letter No. 967
Page 2
January 20, 2015

Effective Date

In accordance with OP 2 in D.14-12-040, this Advice Letter is subject to Energy Division disposition and should be classified as a Tier 1 filing (effective pending Energy Division approval). Southwest Gas respectfully requests that this Advice Letter be made effective January 1, 2015, to correspond with the effective date of the natural gas supplier compliance obligation under ARB's Cap-and-Trade Program.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity, and should be submitted expeditiously. The protest must be sent no later than 20 days after the date of this Advice Letter filing and shall be sent by letter via U.S. Mail, facsimile, or electronically emailed. The address for mailing or delivering a protest to the Commission is:

Energy Division
California Public Utilities Commission
Attention: Investigation, Monitoring & Compliance Program Manager
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
E-mail: edtariffunit@cpuc.ca.gov
Facsimile: 415-703-2200

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

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

Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas believes it is exempt from the notice requirements set forth in General Rule 4.2 in G.O. 96-B since the tariff revisions proposed herein are being filed in compliance with D.14-12-040.



Advice Letter No. 967
Page 3
January 20, 2015

Service

In accordance with G.O. 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:

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. 967

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 (e-mail):

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 GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **967**

Subject of AL: **Revise the Preliminary Statement of Southwest Gas' California Gas Tariff establishing two new accounts in accordance with OP 6 in Decision 14-12-040**

Keywords (choose from CPUC listing): **Balancing and Memorandum Accounts**

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

Decision 14-12-040

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 AL¹: **Not applicable**

Resolution Required? Yes No

Requested effective date: **January 1, 2015**

No. of tariff sheets: **4**

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: **Not applicable**

Service affected and changes proposed¹: **See 'Subject of AL' above**

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.

TABLE OF CONTENTS

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.

DESCRIPTION	CAL. P.U.C. SHEET NOS.
Title Page	1
Table of Contents	2 – 8
Held for Future Use	9
Preliminary Statement	10 – 45.6
Map and Description of Franchise and Service Area	46 – 64
Statement of Rates	65 – 71
Held for Future Use	72 – 77
Other Service Charges	78

PRELIMINARY STATEMENT
(Continued)

25. GREENHOUSE GAS (GHG) BALANCING ACCOUNT (GHGBA)

25A. PURPOSE

The GHGBA is a two-way balancing account for the purpose of tracking and recording costs incurred to comply with the California Air Resource Board's (ARB) natural gas supplier Cap-and-Trade Program and revenues from consignment of the Company's natural gas supplier GHG allowances for auction under the Cap-and-Trade Program. The Company is authorized to establish the GHGBA pursuant to Decision 14-12-040.

25B. APPLICABILITY

Costs and revenues recorded in the GHGBA provision apply to all customer classes, excluding end-use customers who emit 25,000 metric tons of CO₂e or more per year and are directly regulated by the ARB and any other customers who elect to opt-in to direct regulation under ARB's rules.

25C. REVISION DATE

The Company shall file to update the GHGBA adjustment rates pursuant to a final decision by the Commission in Phase 2 of Rulemaking 14-03-033.

25D. FORECAST PERIOD VOLUMES

The volumes of gas, expressed in therms, to be utilized hereunder shall be the volumes estimated to be delivered during the 12 calendar-month period immediately following the Revision Date excluding end-use customers who emit 25,000 metric tons of CO₂e or more per year and are directly regulated by the ARB and any other customers who elect to opt-in to direct regulation under ARB's Rules.

25E. ACCOUNTING

The Company will maintain separate subaccounts in the GHGBA for costs incurred to comply with the ARB's natural gas supplier Cap-and-Trade Program and for revenues received from consignment of allowance for auction.

1. The Company shall make the following entries for ARB natural gas supplier Cap-and-Trade Program costs in the GHGBA subaccount at the end of each month:
 - a. A debit entry for costs associated with the ARB's natural gas supplier Cap-and-Trade Program;
 - b. A debit entry for incremental Commission authorized Cap-and-Trade Program costs, not otherwise recovered in rates;

PRELIMINARY STATEMENT
(Continued)

25. GREENHOUSE GAS (GHG) BALANCING ACCOUNT (GHGBA)

25E. ACCOUNTING (continued)

- c. A credit entry equal to the GHGBA adjustment rate, excluding franchise taxes and uncollectible accounts expense, multiplied by the applicable volumes delivered during the month; and
 - d. An entry to record interest on the balance calculated as set forth in Section 12B of this Preliminary Statements.
2. The Company will make the following entries for Cap-and-Trade Program revenues from consignment in the GHGBA subaccount at the end of each month:
- a. A credit entry equal to GHG revenues received from consignment of the Company's natural gas supplier GHG allowances for auction under the Cap-and-Trade Program;
 - b. A debit entry equal to the revenues returned to customers pursuant to a final decision by the Commission in Phase 2 of Rulemaking 14-03-033; and
 - c. An entry to record interest on the balance calculated as set forth in Section 12B of this Preliminary Statement.

25F. GHGBA ADJUSTMENT RATES

The Company's GHG adjustment rates to recover costs to comply with the ARB's natural gas supplier Cap-and-Trade Program and to return revenues received from consignment of the Company's natural gas supplier GHG allowances for auction will be calculated pursuant to a final decision by the Commission in Phase 2 of Rulemaking 14-03-033.

PRELIMINARY STATEMENT
(Continued)

26. GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA)

26A. PURPOSE

The purpose of the GHGMA is to track the Company's administrative costs incurred to comply with the California Air Resources Board's (ARB) natural gas supplier Cap-and-Trade Program. The Company is authorized to establish the GHGMA pursuant to Decision 14-12-040.

26B. APPLICABILITY

Costs recorded in the GHGMA will apply to all customer classes excluding end-use customers who emit 25,000 metric tons of CO₂e or more per year and are directly regulated by the ARB and any other customers who elect to opt-in to direct regulation under ARB's rules.

26C. ACCOUNTING

The Company shall make the following entries to the GHGMA:

1. Debit entries equal to the Company's associated administrative costs that are directly associated with its Cap-and-Trade Program; and
2. An entry to record interest on the balance calculated as set forth in Section 12B of this Preliminary Statement.

26D. DISPOSITION

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