PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



December 30, 2015

Advice Letter 996-G

Justin Lee Brown Vice-President/Regulatory Affairs Southwest Gas Corporation PO Box 98510 Las Vegas, NV 89193-8510

SUBJECT: Adjustment to SWGC's 2016 Post Test-Year Attrition Increase Authorized in D.14-06-028 to Include Costs Associated with the Company's Implementation Plan Approved in D.13-10-024

Dear Mr. Brown:

Advice Letter 996-G is effective as of December 30, 2015.

Sincerely,

Edward Randolph

Director, Energy Division

Edward Rambofate



Justin Lee Brown, Vice President/Regulation and Public Affairs

November 30, 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.996

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 996, together with California Gas Tariff Sheet Nos. 18, 65 and 66.

Sincerely,

Justin Lee Brown

Vice President/Regulation & Public Affairs

JLB:jjp Enclosures



Advice Letter No. 996

November 30, 2015

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

| Cal. P.U.C. | Canceling Cal. P.U.C. | |
|------------------------------|---|------------------------------|
| Sheet No. | Title of Sheet | Sheet No. |
| 6th Revised Sheet No. 18 | Preliminary Statement (Continued) | 4th Revised Sheet No. 18 |
| 66th Revised Sheet No. 65 | Statement of Rates - Rates Applicable to Southern California Service Area | 63rd Revised Sheet No. 65 |
| 67th Revised Sheet No. 66 | Statement of Rates - Rates Applicable to Northern California Service Area | 63rd Revised Sheet No. 66 |

Purpose

The purpose of this Advice Letter is to include an adjustment to Southwest Gas' 2016 Post Test-Year attrition increase to recover costs associated with the Company's Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan (Implementation Plan) approved in Decision (D.) 13-10-024.

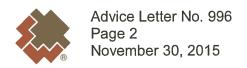
Background

On February 24, 2011, the Commission adopted Rulemaking (R.) 11-02-019 to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanism, "...to establish a new model of natural gas pipeline safety regulation applicable to all California pipelines." On June 9, 2011, the Commission issued D.11-06-017, which ended the "grandfathering" for establishing Maximum Allowable Operating Pressure for certain pipelines, and ordered all California natural gas transmission operators to file implementation plans, "...to achieve the goal of orderly and cost effectively replacing or testing all natural gas transmission pipeline that have not been pressure tested." Additionally, operators were required to include

¹ Contemporaneous herewith, Southwest Gas is filing its 2016 Post Test-Year revenue attrition adjustments in Advice Letter No. 995. The attrition adjustments are applicable to the Company's three ratemaking jurisdictions.

² R.11-02-019, pg. 1.

³ D.11-06-017, pg. 1



Background (continued)

ratemaking proposals in their plans that included specific rate base and expenses amounts, and propose rate impacts.⁴

Southwest Gas filed its Implementation Plan on August 26, 2011, proposing to replace 7.1 miles of transmission pipeline in its Victor Valley System. With respect to its Harper Lake system, the Company proposed installing a remote control shut-off valve to minimize the time to shut off gas flow in the event of an unanticipated release of gas. The Commission approved Southwest Gas' Implementation Plan on October 17, 2013⁵ authorizing \$250,000 for the remote control shut-off valve on the Harper Lake System and the actual capital cost and expense of replacing the Victor Valley system pipeline, less the costs of replacing 2,175 feet of pipeline.⁶ Additionally, pursuant to OP 2 in D.13-10-024:

Southwest Gas Corporation is authorized to file a Tier 1 Advice Letter to create a memorandum account in which to record expenditures pursuant to the Implementation Plan from the effective date of today's decision. Any accumulated balance, plus interest, may be amortized in the next general rate case or post-test year adjustment.⁷

The installation of the remote control shut-off valve in its Harper Lake System and the replacement of 7.1 miles of the Victor Valley System transmission pipeline will be completed and the pipeline placed into service by no later than December 31, 2015. The itemization of costs will be filed in a separate Advice Letter pursuant to OP 5 in D.13-10-024.

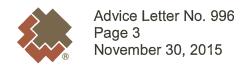
Southwest Gas' Advice Letter No. 995 sets forth the Company's 2016 Post Test-Year Attrition adjustment, in compliance with D.14-06-028. Pursuant to the authority granted by the Commission in D.13-10-024, Southwest Gas seeks to increase its 2016 Post Test-Year Attrition adjustment applicable to its Southern California jurisdiction to include the revenue requirement associated with its Implementation Plan. The projected 2016 revenue requirement is included in the attached schedule.

⁴ D.11-06-017, Ordering Paragraph (OP) 7.

⁵ D.13-10-024, OP 1.

⁶ D.13-10-024, OP 3.

⁷ Southwest Gas filed Advice Letter No. 935 to establish its Pipeline Integrity Memorandum Account, effective March 7, 2014.



Effective Date

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after Energy Division Approval), pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests this Advice Letter be approved December 30, 2015, which is thirty (30) calendar days after the date filed, pursuant to Energy Industry Rule 7.3 in GO 96-B, with rates effective January 1, 2016.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. 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 mailed. 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

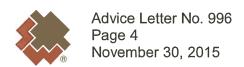
Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above and mailed or faxed to:

Mr. Justin Lee Brown Vice President/Regulation & Public Affairs Southwest Gas Corporation P.O. Box 98510 Las Vegas, NV 89193-8510

Facsimile: 702-364-3452

Notice

Pursuant to Energy Industry Rule 3.1(2), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is being filed pursuant to D.13-10-024.



Service

In accordance with GO 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,

SOUTHWE\$T GAS CORPORATION

Justin Lee Brown

Attachments

Distribution List

Advice Letter No. 996

In conformance with GO 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:

Pacific Gas & Electric Company PGETariffs@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. South | Company name/CPUC Utility No. Southwest Gas Corporation (U 905G) | | | | | | | |
| Utility type: Contact Person: <u>Valerie J. Ontiveroz</u> | | | | | | | | |
| □ ELC ■ GAS | Phone #: (702) 876 | -7323 | | | | | | |
| □ PLC □ HEAT □ WATER | E-mail: valerie.onti | veroz@swgas.com | | | | | | |
| EXPLANATION OF UTILIT | Y TYPE | (Date Filed/ Received Stamp by CPUC) | | | | | | |
| ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat | WATER = Water | | | | | | | |
| Advice Letter (AL) #: 996 | | | | | | | | |
| | | est-Year Attrition increase authorized in D.14-06- lementation Plan approved in D.13-10-024. | | | | | | |
| | | nementation i lan approved in 5.10-10-024. | | | | | | |
| Keywords (choose from CPUC listing): | <u> </u> | | | | | | | |
| AL filing type: ☐ Monthly ☐ Quarterly ☐ | | | | | | | | |
| If AL filed in compliance with a Commis | sion order, indicate re | elevant Decision/Resolution #: | | | | | | |
| Does AL replace a withdrawn or rejecte | d AL? If so, identify the | ne prior AL <u>Not applicable</u> | | | | | | |
| Summarize differences between the AL | and the prior withdra | wn or rejected AL¹: <u>Not applicable</u> | | | | | | |
| Resolution Required? ☐ Yes ■ No | | | | | | | | |
| Requested effective date: January 1, 2 | 016 | No. of tariff sheets: 3 | | | | | | |
| Estimated system annual revenue effec | et: (%): 1.36 % SCA | | | | | | | |
| Estimated system average rate effect (% | %): <u>1.36 % SCA</u> | | | | | | | |
| When rates are affected by AL, include (residential, small commercial, large C/l | | owing average rate effects on customer classes). | | | | | | |
| Tariff schedules affected: Not applica | ble | | | | | | | |
| Service affected and changes proposed | | | | | | | | |
| Pending advice letters that revise the sa | ame tariff sheets: AL | 995 | | | | | | |
| Protests and all other correspondence runless otherwise authorized by the Con | | due no later than 20 days after the date of this filing, e 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

⁸ Discuss in AL if more space is needed.

Las Vegas, Nevada 89193-8510 California Gas Tariff

| | 6th Revised | Cal. P.U.C. Sheet No. | 18 |
|-----------|-------------|-----------------------|----|
| Canceling | 4th Revised | Cal. P.U.C. Sheet No. | 18 |

PRELIMINARY STATEMENT (Continued)

- 9. FIXED COST ADJUSTMENT MECHANISM (FCAM) (Continued)
 - 9F. ACCOUNTING PROCEDURE (Continued)

ANNUAL 2016 MARGIN

| | Sou | uthern California | Noi | rthern California | Sou | uth Lake Tahoe |
|-----------|-----|-------------------|-----|-------------------|-----|----------------|
| January | \$ | 9,709,628 | \$ | 2,789,899 | \$ | 1,194,519 |
| February | \$ | 8,460,317 | \$ | 2,447,108 | \$ | 1,108,858 |
| March | \$ | 7,306,466 | \$ | 2,242,298 | \$ | 1,035,419 |
| April | \$ | 5,431,057 | \$ | 1,862,556 | \$ | 881,291 |
| May | \$ | 4,372,629 | \$ | 1,354,125 | \$ | 711,731 |
| June | \$ | 4,716,162 | \$ | 1,034,225 | \$ | 588,343 |
| July | \$ | 4,226,910 | \$ | 736,984 | \$ | 474,627 |
| August | \$ | 4,308,697 | \$ | 654,609 | \$ | 443,963 |
| September | \$ | 4,585,216 | \$ | 697,282 | \$ | 463,632 |
| October | \$ | 3,398,854 | \$ | 873,429 | \$ | 569,246 |
| November | \$ | 4,705,265 | \$ | 1,441,922 | \$ | 792,792 |
| December | \$ | 7,808,511 | \$ | 2,325,346 | \$ | 1,053,703 |
| Total | \$ | 69,029,712 | \$ | 18,459,783 | \$ | 9,318,124 |

2. An entry to record interest on the Fixed Cost Balancing Account balance after entry (1) above, calculated as set forth in Section 12B of this Preliminary Statement.

Advice Letter No. 996
Decision No. 996

Issued by
Justin Lee Brown
Vice President

Date Filed November 30, 2015

Effective Resolution No.

T

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Las Vegas, Nevada 89193-8510 California Gas Tariff

| | 66th Revised Cal. P.U.C. Sheet No. | 65 |
|-----------|------------------------------------|----|
| Canceling | 63rd Revised Cal. P.U.C. Sheet No. | 65 |

STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

| | | Charges [2] | | | | | | |
|---|-------------|-------------|----------------------------|---------------------|------------------|---------------------|-------------------------|-----|
| Schedule No. and Type of Charge | Margin | and | Subtotal Gas Usage Rate | Other Surch CPUC | arges PPP | Gas Cost | Effective Sales Rate | |
| GS-10-Residential Gas Service | | , | | 0.00 | | | Odios Mato | |
| Basic Service Charge | \$5.00 | | | | | | ¢ = 00 | |
| Cost per Therm | ψ 5.00 | | | | | | \$5.00 | |
| Baseline Quantities | \$.66835 | \$.32239 | \$.99074 | \$.00068 \$ | .10346 | \$.27208 | \$1.36696 | L |
| Tier II | \$.83962 | .32239 | 1.16201 | | .10346 | .27208 | 1.53823 | li. |
| GS 11 Basidantial Air Canditioning Can Service | * | .02200 | | .00000 | . 100 10 | .27200 | 1.00020 | Ι' |
| GS-11-Residential Air-Conditioning Gas Service Basic Service Charge | | | | | | | # F 00 | |
| Cost per Therm | \$5.00 | | | | | | \$5.00 | |
| Tier I | \$.66835 | \$.32239 | \$.99074 | \$.00068 \$ | .10346 | \$.27208 | \$1.36696 | L |
| Tier II | .83962 | .32239 | 1.16201 | | .10346 | .27208 | 1.53823 | H |
| Air-Conditioning | \$.32328 | .32239 | .64567 | | .10346 | .27208 | 1.02189 | H |
| | T | .02200 | .0 1007 | .00000 | .100-10 | .27200 | 1.02 100 | Ι'. |
| GS-12-CARE Residential Gas Service | • • • • • • | | | | | | 0.4.00 | |
| Basic Service Charge Cost per Therm | \$4.00 | | | | | | \$4.00 | 1 |
| Baseline Quantities | \$.41579 | \$.32239 | \$.73818 | \$.00068 \$ | .04474 | \$.27208 | \$1.05568 | L |
| Tier II | .55280 | .32239 | .87519 | | .04474 | .27208 | \$ 1.05568 | H |
| | .00200 | .02200 | .07010 | .00000 | .07777 | .21200 | ψ 1.13203 | Ι' |
| GS-15-Secondary Residential Gas Service | Ф.С.ОО | | | | | | | |
| Basic Service Charge Cost per Therm | \$6.00 | Ф 00000 | 0.4.05404 | A 00000 A | 10010 | | \$6.00 | ١. |
| | \$1.02862 | \$.32239 | \$1.35101 | \$.00068 \$ | .10346 | \$.27208 | \$1.72723 | |
| GS-20-Multi-Family Master-Metered Gas Service | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | \$25.00 | |
| Cost per Therm | | | | | | | | ١. |
| Baseline Quantities | \$.66835 | \$.32239 | \$.99074 | | .10346 | \$.27208 | \$1.36696 | 1! |
| Tier II | .83962 | .32239 | 1.16201 | .00068 | .10346 | .27208 | 1.53823 | 11 |
| GS-25 -Multi-Family Master-Metered Gas | | | | | | | | |
| Service-Submetered | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | \$25.00 | |
| Cost per Therm Baseline Quantities | \$.66835 | \$.32239 | ¢ 00074 | ф 00000 ф | 40040 | Φ 07000 | 0.4.00000 | ١, |
| Tier II | .83962 | .32239 | \$.99074 1.16201 | | .10346 .10346 | \$.27208 .27208 | \$ 1.36696 1.53823 | Ľ |
| Submetered Discount per Occupied Space | (\$7.69) | .32239 | 1.10201 | .00000 | .10340 | .27200 | (\$7.69) | Ι' |
| GS-35-Agriculture Employee Housing & Nonprofit | | | | | | | (φ1.09) | |
| Group Living Facility Gas Service | | | | | | | | |
| Basic Service Charge | \$8.80 | | | | | | \$8.80 | |
| Cost per Therm | Ψ 0.00 | | | | | | ψ 0.00 | |
| First 100 | \$.35408 | \$.32239 | .67647 | \$.00068 \$ | .04474 | \$.27208 | \$.99397 | П |
| Next 500 | .22739 | .32239 | .54978 | | .04474 | .27208 | .86728 | ١i |
| Next 2,400 | .12604 | .32239 | .44843 | .00068 | .04474 | .27208 | .76593 | Ιi |
| Over 3,000 | .00019 | .32239 | .32258 | | .04474 | .27208 | .64008 | 1 |
| GS-40-Core General Gas Service | | | | | | | | |
| Basic Service Charge | \$11.00 | | | | | | \$11.00 | |
| Transportation Service Charge | \$780.00 | | | | | | \$780.00 | |
| Cost per Therm | | | | | | | | |
| First 100 | \$.59122 | \$.32239 | \$.91361 | \$.00068 \$ | .10346 | \$.27208 | \$1.28983 | 1 |
| Next 500 | \$.43286 | .32239 | .75525 | | .10346 | .27208 | 1.13147 | 1 |
| Next 2,400 | \$.30617 | .32239 | .62856 | .00068 | .10346 | .27208 | 1.00478 | |
| Over 3,000 | \$.14885 | .32239 | .47124 | .00068 | .10346 | .27208 | .84746 | 1 |
| | | | | | | | | |
| | | | | | | | | 1 |

| | Issued by | Date Filed November 30, 2015 |
|---------------------|------------------|------------------------------|
| Advice Letter No996 | Justin Lee Brown | Effective |
| Decision No | Vice President | Resolution No. |
| | | |

P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling _

67th Revised Cal. P.U.C. Sheet No. 63rd Revised Cal. P.U.C. Sheet No. 66

66

STATEMENT OF RATES

RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

| | | Charges [2] | | | | | |
|--|-----------|-------------|--------------|---------------------|-----------|------------|-----|
| 0.1.11.11 | | and | Subtotal Gas | | | Effective | |
| Schedule No. and Type of Charge | Margin | Adjustments | Usage Rate | CPUC PPP | Gas Cost | Sales Rate | - |
| GS-50-Core Natural Gas Service for Motor | | | | | | | |
| Vehicles | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | \$25.00 | |
| Cost per Therm | \$.11822 | \$.32239 | \$.44061 | \$.00068 \$.10346 | \$.27208 | \$.81683 | 1 |
| GS-60-Core Internal Combustion Engine Gas | | | | | | | |
| Service Service | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | \$25.00 | |
| Cost per Therm | \$.17563 | \$.32239 | \$.49802 | \$.00068 \$.10346 | \$.27208 | \$.87424 | 1 |
| GS-LUZ-Solar Electric Generation Gas Service | | | | | | | |
| Basic Service Charge | \$50.00 | | | | | \$50.00 | |
| Cost per Therm | | \$.18603 | \$.23667 | \$.00068 | | \$.23735 | I/F |
| · | | | | • | | | |
| GS-66-Core Small Electric Power Generation | | | | | | | |
| Gas Service | | | | | | | |
| Basic Service Charge | \$25.00 | Φ 00000 | A 50.475 | A 00000 | | \$25.00 | Ι. |
| Cost per Therm | \$.26236 | \$.32239 | \$.58475 | \$.00068 | \$.27208 | \$.85751 | ' |
| GS-70-Noncore General Gas Transportation | | | | | | | |
| Service | | | | | | | |
| Basic Service Charge | \$100.00 | | | | | \$100.00 | |
| Transportation Service Charge | \$780.00 | | | | | \$780.00 | |
| Cost per Therm | \$.12834 | \$.22730 | \$.35564 | \$.00068 \$.10346 | | \$.45978 | |
| GS-VIC City of Victorville Gas Service | | | | | | | |
| Basic Service Charge | \$11.00 | | | | | \$ 11.00 | |
| Transportation Service Charge | \$780.00 | | | | | \$780.00 | 1 |
| Cost per Therm | \$.35956 | \$.32232 | \$.68188 | \$.00068 | \$.27208 | \$.95464 | 1 |
| TFF-Transportation Franchise Fee Surcharge | | | | | | | |
| Provision | | | | | | | |
| TFF Surcharge per Therm | - | | | | | \$.00335 | |
| | | | | | | | |
| TDS – Transportation Distribution System | | | | | | | |
| Shrinkage Charge TDS Charge per Therm | _ | | | | | ¢ 00007 | |
| i DS Charge per Themi | | | | | | \$.00207 | |
| MHPS-Master-Metered Mobile Home Park | | | | | | | |
| Safety Inspection Provision | | | | | | | |
| MHPS Surcharge per Space per Month | - | | | | | \$.21000 | |
| | | | | | | | |
| | | | | | | | 1 |

| | | Issued by | Date Filed November 30, 2015 |
|------------------|-----|------------------|------------------------------|
| Advice Letter No | 996 | Justin Lee Brown | Effective |
| Decision No | | Vice President | Resolution No. |

SOUTHWEST GAS CORPORATION NATURAL GAS TRANSMISSION PIPELINE COMPREHENSIVE PRESSURE TESTING IMPLEMENTATION PLAN PIPELINE INTEGRITY MEMORANDUM ACCOUNT (PIMA) FOR YEAR 2016 SOUTHERN CALIFORNIA DIVISION

| Line | | | | | Line |
|--------|--------------------------------------|---------|-----|------------------------|--------|
| No. | Description | Percent | | Amount [1] | No. |
| | (a) | (b) | | (c) | |
| 1 2 | Contractor Costs Material Costs | | \$ | 6,400,000 1,500,000 | 1 2 |
| 3 | Company Labor and Misc. Costs | | | 1,700,000 | 2 3 |
| 4 | Overheads | | | 1,700,000 | 4 |
| 5 | Harper Lake Remote Control Valve | | | 200,000 | 5 |
| 6 | Total Dollars | | \$ | 11,500,000 | 6 |
| 7 | Pre-Tax Return | | | 10.80% | 7 |
| 8 | Financing Cost | | \$ | 1,242,138 | 8 |
| 9 | Mains-Depreciation | 2.86% | \$ | 328,900 | 9 |
| 10 | Property Tax | 1.20% | \$ | 137,610 | 10 |
| 11 | Revenue Requirement Before Franchise | | \$ | 1,708,648 | 11 |
| 12 | Franchise Rate | 1.15% | \$ | 19,661 | 12 |
| 13 | Revenue Requirement After Franchise | | \$. | 1,728,309 | 13 |

^[1] Excludes disallowed costs for replacement of 2,175 feet of tranmission pipeline pursuant to Ordering Paragraph 3 in D.13-10-024.

SOUTHWEST GAS CORPORATION SOUTHERN CALIFORNIA 2016 POST-TEST YEAR ADJUSTED AUTHORIZED MARGIN

| Line | | | | | | Line |
|------|--|------|------------|------|------------|------|
| No. | Description | | 2015 | 2016 | | No. |
| | (a) | | (c) | | (d) | |
| 1 | Previous Year's Authorized Margin [1] | \$ | 63,747,104 | \$ | 65,500,149 | 1 |
| 2 | Post-Test Year Adjustment Percent [2] | | 2.75% | | 2.75% | 2 |
| 3 | Post-Test Year Adjustment Dollars | _\$_ | 1,753,045 | _\$_ | 1,801,254 | 3 |
| 4 | Authorized Margin [1],[2] | \$ | 65,500,149 | \$ | 67,301,403 | . 4 |
| 5 | ATM Cost of Capital Adjustment | \$ | 0 | \$ | 0 | 5 |
| 6 | PIMA - Victor Valley Transmission System | \$ | 0 | _\$_ | 1,728,309 | 6 |
| 7 | Adjusted Authorized Margin | \$ | 65,500,149 | \$ | 69,029,712 | 7 |
| 8 | Special Contract Gas Service | _\$_ | 22,379 | \$ | 22,379 | . 8 |
| 9 | Total Authorized Margin Amount | \$ | 65,522,528 | \$ | 69,052,091 | 9 |

^[1] Does not include Special Contract Gas Service Amounts. [2] Approved by Commission in D.14-06-028.



December 17, 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.996

Enclosed are an original and one (1) copy of each substitute California P.U.C. Sheet No. 65 and 66 (66th Revised and 67th revised, respectively). These sheets were submitted in Advice Letter No. (AL) 996. AL 996 was filed on November 30, 2015, to include an adjustment to Southwest Gas' 2016 Post Test-Year attrition increase to recover costs associated with the Company's Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan approved in Decision (D.) 13-10-024.

The purpose of this transmittal is to correct typographical errors in tariff Sheet Nos. 65 and 66 - Statement of Rates Applicable to Southern California Service Area. AL 996 included schedules illustrating the calculation of the revenue requirement and attrition adjustment. However, the associated margin rates were not updated for Schedule Nos. GS-11, GS-35, GS-40 and GS-66 on Sheet Nos. 65 and 66. Margin rates for all other schedules on these tariff sheets were correctly updated.

The substitute sheets are denoted by an asterisk (*).

In accordance with General Order 96-B, General Rule 7.5.1 and Energy Industry Rule 3.2, Southwest Gas is mailing copies of this substitute sheet filing and related tariff sheets to the utilities and interested parties shown on the attached list.

Sincerely,

Valerie J. Ontiveroz

Regulatory Manager/California

VJO:jip **Enclosures**

Distribution List

Advice Letter No. 996

In conformance with GO 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:

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Southern California Gas Company SNewsom@semprautilities.com

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Las Vegas, Nevada 89193-8510 California Gas Tariff

Advice Letter No. 996

Decision No.____

Canceling

66th Revised Cal. P.U.C. Sheet No. 65* 63rd Revised Cal. P.U.C. Sheet No.

Date Filed November 30, 2015

Effective _

Resolution No.

STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

| | | С | harges [2] | | | 011 0 1 | | | | ======================================= | |
|--|----------------|------|-------------------|-------------------------|----|---------------------|---------------|----|---------|---|-----|
| Schedule No. and Type of Charge | Margir | Ac | and djustments | Subtotal Gas Usage Rate | | Other Surch CPUC | narges PPP | Ga | as Cost | Effective Sales Rate | |
| GS-10-Residential Gas Service | | | | | | | | | | | |
| Basic Service Charge | \$5.00 | | | | | | | | | \$5.00 | |
| Cost per Therm | | | | | | | | | | | |
| Baseline Quantities | \$.6683 | 5 \$ | .32239 | \$.99074 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$1.36696 | 1 |
| Tier II | \$.8396 | 2 | .32239 | 1.16201 | | .00068 | .10346 | | .27208 | 1.53823 | 1 |
| GS-11-Residential Air-Conditioning Gas Service | | | | | | | | | | | |
| Basic Service Charge | \$5.00 | | | | | | | | | \$5.00 | |
| Cost per Therm | | | | | | | | | | | |
| Tier I | \$.6683 | 5 \$ | .32239 | \$.99074 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$1.36696 | 1 |
| Tier II | .8396 | 2 | .32239 | 1.16201 | | .00068 | .10346 | | .27208 | 1.53823 | 1 |
| Air-Conditioning | \$.3341 | 7 | .32239 | .65656 | | .00068 | .10346 | | .27208 | 1.03278 | 1 |
| GS-12-CARE Residential Gas Service | | | | | | | | | | | |
| Basic Service Charge | \$4.00 | | | | | | | | | \$4.00 | |
| Cost per Therm | • | | | | | | | | | | |
| Baseline Quantities | \$.4157 | 9 \$ | .32239 | \$.73818 | \$ | .00068 \$ | .04474 | \$ | .27208 | \$1.05568 | 1 |
| Tier II | .5528 | 0 | .32239 | .87519 | | .00068 | .04474 | | .27208 | \$1.19269 | 1 |
| GS-15-Secondary Residential Gas Service | | | | | | | | | | | |
| Basic Service Charge | \$6.00 | | | | | | | | | \$6.00 | |
| Cost per Therm | \$1.0286 | 2 \$ | .32239 | \$1.35101 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$1.72723 | h |
| · · | ¥ | - + | .02200 | 4 1.00101 | Ψ | .σσσσσ φ | .100.0 | Ψ | | ψ z. z. z. z | ľ |
| GS-20-Multi-Family Master-Metered Gas Service | \$25.00 | | | | | | | | | COT 00 | |
| Basic Service Charge Cost per Therm | \$25.00 | | | | | | | | | \$25.00 | |
| Baseline Quantities | \$.6683 | 5 ¢ | .32239 | \$.99074 | \$ | .00068 \$ | .10346 | ¢ | .27208 | \$1.36696 | h |
| Tier II | .8396 | | .32239 | 1.16201 | Φ | .00068 | .10346 | Φ | .27208 | 1.53823 | H |
| GS-25 -Multi-Family Master-Metered Gas | .0000 | _ | .02200 | 1.10201 | | .00000 | .10040 | | .27200 | 1.00020 | ľ |
| Service-Submetered | | | | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | | | \$25.00 | L |
| Cost per Therm | Ψ20.00 | | | | | | | | | Ψ20.00 | |
| Baseline Quantities | \$.6683 | 5 \$ | .32239 | \$.99074 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$1.36696 | lъ |
| Tier II | .8396 | | .32239 | 1.16201 | • | .00068 | .10346 | Ψ | .27208 | 1.53823 | li. |
| Submetered Discount per Occupied Space | (\$7.69) | | | | | | | | | (\$7.69) | |
| GS-35-Agriculture Employee Housing & Nonprofit | | | | | | | | | | (******) | |
| Group Living Facility Gas Service | | | | | | | | | | | l |
| Basic Service Charge | \$8.80 | | | | | | | | | \$8.80 | L |
| Cost per Therm | • | | | | | | | | | | ı |
| First 100 | \$.3629 | 6 \$ | .32239 | .68535 | \$ | .00068 \$ | .04474 | \$ | .27208 | \$1.00285 | П |
| Next 500 | .2362 | 7 | .32239 | .55866 | • | .00068 | .04474 | • | .27208 | .87616 | Ιī |
| Next 2,400 | .1349 | 2 | .32239 | .45731 | | .00068 | .04474 | | .27208 | .77481 | |
| Over 3,000 | .0090 | 7 | .32239 | .33146 | | .00068 | .04474 | | .27208 | .64896 | 1 |
| GS-40-Core General Gas Service | | | | | | | | | | | |
| Basic Service Charge | \$11.00 | | | | | | | | | \$11.00 | |
| Transportation Service Charge | \$780.00 | | | | | | | | | \$780.00 | |
| Cost per Therm | * | | | | | | | | | 4.00.00 | |
| First 100 | \$.6023 | 2 \$ | .32239 | \$.92471 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$1.30093 | lι |
| Next 500 | \$.4439 | | .32239 | .76635 | • | .00068 | .10346 | • | .27208 | 1.14257 | ΙĹ |
| Next 2,400 | \$.3172 | | .32239 | .63966 | | .00068 | .10346 | | .27208 | 1.01588 | i |
| Over 3,000 | \$.1599 | | .32239 | .48234 | | .00068 | .10346 | | .27208 | .85856 | l i |
| | | | | | | | | | _ | | |
| | | | | | | | | | | | 1 |

Issued by

Justin Lee Brown

Vice President

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California Gas Tariff

| | 6/th Revised | Cal. P.U.C. |
|-----------|--------------|-------------|
| Canceling | 63rd Revised | Cal. P.U.C. |

Sheet No. 66*
Sheet No. 66

STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

| ١ | | | | | | | | | | | | | 1 |
|---|---|-----------------------------------|----|------------------|-------|---------------------|----|------------|---------------|----|----------|-----------------------------------|-----|
| ı | | | Cł | narges [2] | | | | | | | | | |
| | Schedule No. and Type of Charge | Margin | Ad | and justments | | otal Gas de Rate | | Other Surc | harges PPP | c | Gas Cost | Effective Sales Rate | |
| | GS-50-Core Natural Gas Service for Motor Vehicles | | | , | | , , , , , , , | | | | | | ours rute | |
| | Basic Service Charge Cost per Therm | \$25.00 \$.11822 | \$ | .32239 | \$.4 | 4061 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$25.00 \$.81683 | |
| | GS-60-Core Internal Combustion Engine Gas Service | | | | | | | | | | | | |
| | Basic Service Charge Cost per Therm | \$25.00 \$.17563 | \$ | .32239 | \$.4 | 19802 | \$ | .00068 \$ | .10346 | \$ | .27208 | \$25.00 \$.87424 | ι |
| | GS-LUZ-Solar Electric Generation Gas Service Basic Service Charge | \$50.00 | • | 40000 | | | • | | | | | \$50.00 | |
| I | Cost per Therm GS-66-Core Small Electric Power Generation | \$.05064 | \$ | .18603 | \$.2 | 23667 | \$ | .00068 | | | | \$.23735 | I/P |
| | Gas Service Basic Service Charge Cost per Therm | \$25.00 \$.25015 | \$ | .32239 | \$.5 | 57254 | \$ | .00068 | | \$ | .27208 | \$25.00 \$.84530 | ١, |
| | GS-70-Noncore General Gas Transportation Service | · | · | | · | | • | | | · | | | |
| | Basic Service Charge Transportation Service Charge Cost per Therm | \$100.00 \$780.00 \$.12834 | \$ | .22730 | \$.3 | 35564 | \$ | .00068 \$ | .10346 | | | \$100.00 \$780.00 \$.45978 | 1 |
| | GS-VIC City of Victorville Gas Service Basic Service Charge Transportation Service Charge Cost per Therm | \$11.00 \$780.00 \$.35956 | \$ | .32232 | \$.6 | 88188 | \$ | .00068 | | \$ | .27208 | \$ 11.00 \$780.00 \$.95464 | |
| | TFF-Transportation Franchise Fee Surcharge Provision TFF Surcharge per Therm | | | | | | | | | | | \$.00335 | |
| | TDS – Transportation Distribution System | | | | | | | | | | | φ .00333 | |
| | Shrinkage Charge TDS Charge per Therm | | | | | | | | | | | \$.00207 | |
| | MHPS-Master-Metered Mobile Home Park Safety Inspection Provision MHPS Surcharge per Space per Month | | | | | | | | | | | \$.21000 | |

| | | Issued by | Date Filed November 30, 2015 |
|------------------|-----|--------------------|------------------------------|
| Advice Letter No | 996 | Justin Lee Brown | Effective |
| Decision No | | Vice President | Resolution No. |