

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 4, 2017

Advice Letter 1019-G

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

SUBJECT: Statement and Accounting of Costs Regarding the Completion of Southwest Gas Implementation Plan Approved in D.13-10-024

Dear Mr. Brown:

Advice Letter 1019-G is effective as of October 24, 2016.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

October 24, 2016

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.1019

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1019.

Sincerely,


Valerie J. Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1019

October 24, 2016

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas or Company) (U 905 G) tenders herewith for filing Advice Letter No. 1019. There are no tariff sheets associated with this filing.

Purpose

The purpose of this Advice Letter is to provide Southwest Gas' final accounting of costs associated with the Company's Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan (Implementation Plan) approved in Decision (D.) 13-10-024. The itemization of these costs are filed pursuant to Ordering Paragraph (OP) 5 in 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."¹ 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."² Additionally, operators were required to include ratemaking proposals in their plans that included specific rate base and expense amounts, and propose rate impacts.³

Southwest Gas filed its Implementation Plan on August 26, 2011, proposing to replace 7.1 miles of transmission pipeline in its Victor Valley System, and install a remote control shut-off valve to minimize the time to shut off gas flow in the event of an unanticipated release of gas in its Harper Lake System. The Commission approved Southwest Gas' Implementation Plan on October 17, 2013⁴ 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.⁵

¹ R.11-02-019, pg. 1.

² D.11-06-017, pg. 1

³ D.11-06-017, Ordering Paragraph (OP) 7.

⁴ D.13-10-024, OP 1.

⁵ D.13-10-024, OP 3.



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The 7.1 miles of the Victor Valley System transmission pipeline was placed into service on December 30, 2015 and the installation of the remote control shut-off valve in the Harper Lake System was completed on December 31, 2015.

The attached schedule provides a final accounting of costs incurred for the Implementation Plan.

Effective Date

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (Effective Pending Disposition), pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests this Advice Letter be approved October 24, 2016, which is the date filed.

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

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.



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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,

SOUTHWEST GAS CORPORATION

By: 

Justin Lee Brown

Attachments

Distribution List

Advice Letter No. 1019

In conformance with GO 96-B, General Rule 4.3

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

Elizabeth Echols, 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. Southwest Gas Corporation (U 905G)	
Utility type: <input type="checkbox"/> ELC <input checked="" type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: Valerie J. 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) #: 1019	
Subject of AL: Statement and accounting of costs regarding the completion of Southwest Gas Implementation Plan approved in D.13-10-024.	
Keywords (choose from CPUC listing): Implementation Plan	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:	
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 ¹ : Not applicable	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: October 24, 2016	No. of tariff sheets: 0
Estimated system annual revenue effect (%): N/A	
Estimated system average rate effect (%): N/A	
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 proposed ⁶ : See 'Subject of AL' above	
Pending advice letters that revise the same tariff sheets: N/A	
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

⁶ Discuss in AL if more space is needed.

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

Line No.	Description (a)	Percent (b)	Amount [1] (c)	Line No.
1	Contractor Costs		\$ 7,603,954	1
2	Material Costs		1,589,287	2
3	Company Labor and Misc. Costs		1,078,185	3
4	Overheads		1,210,599	4
5	Harper Lake Remote Control Valve		194,354	5
6	Total Dollars		<u>\$ 11,676,379</u>	6

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