

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 4, 2017

Advice Letter 1021-G

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

SUBJECT: Setting SWCG's IRRAM Rate to Zero

Dear Mr. Brown:

Advice Letter 1021-G is effective as of January 1, 2017.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

October 31, 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.1021

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1021, together with California Gas Tariff Sheet Nos. 67, 69 and 71.

Sincerely,

Valerie Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1021

October 31, 2016

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. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
50th Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	49th Revised Sheet No. 67
79th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	78th Revised Sheet No. 69
79th Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	78th Revised Sheet No. 71

Purpose

The purpose of this Advice Letter is to adjust Southwest Gas' Infrastructure Reliability and Replacement Adjustment Mechanism (IRRAM) rate pursuant to Preliminary Statement 21 of its California Gas Tariff

Background

On June 12, 2014, the Commission issued Decision (D.) 14-06-028¹, which authorized Southwest Gas to establish the IRRAM to provide a means of recovering the revenue requirement associated with non-revenue producing infrastructure projects authorized by the Commission. In D.14-06-028, the Commission also authorized Southwest Gas to establish the School Customer-Owned Yard (COYL) Leak Survey Program (Program) at a cost of \$8,648, which is to be recovered through the IRRAM. Through the Program, Southwest Gas may offer public and private schools within its California service territories the optional service of leak surveying their COYLs. To recover the costs of the COYL Program, the Commission authorized Southwest Gas to establish its initial IRRAM surcharge rates per therm of \$0.00007 and \$0.00004 for its Southern California Service Area and Northern California and South Lake Tahoe Service Areas, respectively. To date, however, the Program has experienced low participation, resulting in minimal offsetting costs. As such, Southwest Gas requests authority to adjust its IRRAM rate to zero to avoid the continued over-collection of Program funding.

¹ Issued in the Application of Southwest Gas Corporation (U 905 G) for Authority to Increase Rates and Charges for Gas Service in California, effective January 1, 2014



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Effective Date

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (Effective Pending Disposition), pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests this Advice Letter be approved November 30, 2016, which is thirty (30) calendar days after the date filed, with the proposed rate adjustments effective January 1, 2017.

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 the Company's Preliminary Statement 21 authorized in D.14-06-028.

Service

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is mailing copies of this advice letter and related tariff sheets to the utilities and interested parties shown on the attached list.



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Protest *(continued)*

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. 1021

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:

ELC GAS
 PLC HEAT 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) #: **1021**

Subject of AL: **Setting Southwest Gas' IRRAM rate to zero**

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

AL filing type: Monthly Quarterly Annual One-Time 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 AL¹: **Not applicable**

Resolution Required? Yes No

Requested effective date: **January 1, 2017**

No. of tariff sheets: 7

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 proposed²: **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

² Discuss in AL if more space is needed.

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

Schedule No. and Type of Change	Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP		
<p>[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.76%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.</p> <p>[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:</p>							
		GS-10, GS-11, GS-35, GS-12, GS-40, GS-15, GS-50, GS-20, GS-60, GS-25 GS-66	GS-70	GS-VIC	GS-LUZ		
Upstream Intrastate Charges							
Storage	\$.01471		\$.01471			
Variable		.02724	\$.02724	.02724			
Upstream Interstate Reservation Charges							
IRRAM Surcharge		.06498		.06498			
Balancing Account Adjustments							
FCAM*		.19128	.17135	.19128	\$.17135		
ITCAM	(.00185)	(.00185)	(.00185)			
GHGBA**							
Non-Covered Entities							
Covered Entities							
Total Rate Adjustment	\$.29636	\$.19674	\$.29636	\$.17135		

* The FCAM surcharge includes an amount of \$.17135 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

STATEMENT OF RATES
RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
GN-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.27273	\$.43006		\$.70279	\$.00093	\$.05362	\$.27859	\$ 1.03593
GN-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.27273	\$.43006		\$.70279	\$.00093		\$.27859	\$.98231
GN-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$.16437	\$.14651		\$.31088	\$.00093	\$.05362		\$.36543
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm								\$.00363
TDS - Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm								\$.00156
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 and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.56%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] 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.

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

Charges and Adjustments Description	GN-10, GN-35, GN-12, GN-40, GN-15, GN-50, GN-20, GN-60, GN-25, GN-66		GN-70
Upstream Interstate Charges			
Storage	\$.02627		
Reservation	.21382		
IRRAM Surcharge	.00000		\$.00000
Balancing Account Adjustments			
FCAM*	.18993		.14647
GHGBA**			
Non-Covered Entities			
Covered Entities			
Total Rate Adjustment	\$.43002		\$.14647

* The FCAM surcharge includes an amount of \$.14647 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAUF).

STATEMENT OF RATES
RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
SLT-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.23175	\$.38960		\$.62135	\$.00093	\$.05362	\$.27859	\$.95449
SLT-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.23175	\$.38960		\$.62135	\$.00093		\$.27859	\$.90087
SLT-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$.16707	\$.10605		\$.27312	\$.00093	\$.05362		\$.32767
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm								\$.00363
TDS-Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm								\$.00156
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 and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.56%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation service will also be subject to the TFF Surcharge.

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

Charges and Adjustments Description	SLT-10, SLT-35, SLT-12, SLT-40, SLT-15, SLT-50, SLT-20, SLT-60, SLT-25, SLT-66		SLT-70
Upstream Interstate Charges			
Storage	\$.02627		
Reservation	.21382		
IRRAM Surcharge	.00000		\$.00000
Balancing Account Adjustment			
FCAM *	.14947		.10601
GHGBA			
Non-Covered Entities			
Covered Entities			
Total Rate Adjustment	\$.38956		\$.10601

* The FCAM surcharge includes an amount of \$.10601 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAUF).

Advice Letter No. 1021
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed October 31, 2016
Effective _____
Resolution No. _____