#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



March 10, 2017

**Advice Letter 1028** 

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

Subject: Increase the PUC Utilities Reimbursement Fee

Dear Mr. Brown:

Advice Letter 1028 is effective as of January 1, 2017.

Sincerely,

Edward Randolph

Director, Energy Division

Gedward Randofah



December 27, 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. 1028

Palerie J. Entwero-

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1028, together with California Gas Tariff Sheet Nos. 65, 66, and 68-71.

Sincerely,

Valerie J. Ontiveroz

Regulatory Manager/California

VJO:jjp Enclosures



Advice Letter No. 1028

December 27, 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:

| 0-1 0 11 0                   | California Gas Tariff   | Canceling                    |
|------------------------------|---|------------------------------|
| Cal. P.U.C.<br>Sheet No.     | Title of Sheet  | Cal. P.U.C.<br>Sheet No.     |
| 84th Revised<br>Sheet No. 65 | Statement of Rates - Rates Applicable to Southern California Service Area | 83rd Revised<br>Sheet No. 65 |
| 85th Revised<br>Sheet No. 66 | Statement of Rates - Rates Applicable to Southern California Service Area | 84th Revised<br>Sheet No. 66 |
| 82nd Revised<br>Sheet No. 68 | Statement of Rates - Rates Applicable to Northern California Service Area | 81st Revised<br>Sheet No. 68 |
| 84th Revised<br>Sheet No. 69 | Statement of Rates - Rates Applicable to Northern California Service Area | 83rd Revised<br>Sheet No. 69 |
| 49th Revised<br>Sheet No. 70 | Statement of Rates - Rates Applicable to South Lake Tahoe Service Area    | 48th Revised<br>Sheet No. 70 |
| 84th Revised<br>Sheet No. 71 | Statement of Rates - Rates Applicable to South Lake Tahoe Service Area    | 83rd Revised<br>Sheet No. 71 |

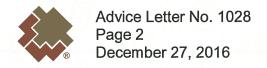
#### **Purpose**

The purpose of this filing is to revise the Public Utilities Commission Utilities Reimbursement Account Fee (Reimbursement fee) pursuant to Resolution M-4830.

### **Background**

In 1983, the Legislature established the Commission Reimbursement Fee to be paid by utilities, to fund the operations of the California Public Utilities Commission (PU Code §§ 401-445). Recovery of the cost of that fee is ordered by the Commission under the authority granted to it by PU Code § 433. Additionally, PU Code § 431 states:

The [C]omission shall annually determine a fee to be paid by every electrical, gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers and subscribers and subject to the jurisdiction of the [C]omission other than a railroad, except as provided in Article 2 (commencing with Section 421).



### Background (Continued)

On December 1, 2016, the Commission approved Resolution M-4830 revising the Commission Reimbursement Fee from \$.00093 to \$.00139 per therm for gas corporations. Accordingly, Southwest Gas revises its Gas Tariff Statement of Rates applicable to its Southern, Northern and South Lake Tahoe, California jurisdictions in compliance with Resolution M-4830.

The Commission Reimbursement Fee applies to all gas sales rendered under all tariff rate schedules authorized by the Commission.

#### **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. The Company respectfully requests that the revised tariffs included herein, which incorporate the adjusted Reimbursement Fee, be made effective January 1, 2017 in accordance with the Ordering Paragraph in Resolution M-4830.

#### **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:

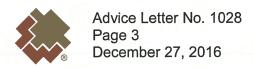
ATTN: Tariff Unit Energy Division California Public Utilities Commission 505 Van Ness Avenue, 4<sup>th</sup> Floor San Francisco, CA 94102

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(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since the adjustments proposed herein are being filed pursuant to Commission Resolution M-4830.

### **Service**

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving 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

Justin Lee Brown

Attachments

By:

### **Distribution List**

Advice Letter No. 1028

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 COMPLE  | TED BY UTILITY (A   | ttach additional pages as needed)                                   |  |  |  |  |  |
|---|---|---|--|--|--|--|--|
| Company name/CPUC Utility No. Sout  | hwest Gas Corporat  | ion (U 905 G)   |  |  |  |  |  |
| Utility type:   | Contact Person: Va  | lerie J. Ontiveroz  |  |  |  |  |  |
| □ ELC ■ GAS   | Phone #: (702) 876  | <del>-7323</del>  |  |  |  |  |  |
| □ 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) #: 1028  | TOTAL TOTAL   |   |  |  |  |  |  |
|   |   |   |  |  |  |  |  |
| Subject of AL: Increase the Public Util   | <u>ities Commission U</u>   | tilities Reimbursement Fee.   |  |  |  |  |  |
| Keynyarda (abasas franc ODLIO Batisas)  | 0 1'  |   |  |  |  |  |  |
| Keywords (choose from CPUC listing):  |   |   |  |  |  |  |  |
|   | AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ■ One-Time ☐ Other |   |  |  |  |  |  |
| If AL filed in compliance with a Commis   | <del></del>   |   |  |  |  |  |  |
| Does AL replace a withdrawn or rejecte  |   |   |  |  |  |  |  |
| Summarize differences between the AL  | and the prior withdra   | wn or rejected AL¹: <b>Not applicable</b>                           |  |  |  |  |  |
| Resolution Required? ☐ Yes ■ No   |   |   |  |  |  |  |  |
| Requested effective date: <u>January 1, 2</u>                                       |   | No. of tariff sheets: 6   |  |  |  |  |  |
| Estimated system annual revenue effec   | t: (%): Not applicable  | <u>e</u>  |  |  |  |  |  |
| Estimated system average rate effect (%   |   |   |  |  |  |  |  |
| When rates are affected by AL, include<br>(residential, small commercial, large C/I | attachment in AL sho  | wing average rate effects on customer classes                       |  |  |  |  |  |
| Tariff schedules affected: Not applica  |   |   |  |  |  |  |  |
| Service affected and changes proposed   | 1:See 'Subject of AL  | <u>'above</u>   |  |  |  |  |  |
| Pending advice letters that revise the sa   | me tariff sheets: AL  | 1023, AL 1024, AL 1025  |  |  |  |  |  |
| Protests and all other correspondence r<br>unless otherwise authorized by the Com   |   | due no later than 20 days after the date of this filing, e sent to: |  |  |  |  |  |
| CDUC Francis District   |   |   |  |  |  |  |  |
| CPUC, Energy Division Attention: Tariff Unit  |   | Utility Info (including e-mail)<br>Mr. Justin Lee Brown,            |  |  |  |  |  |
| 505 Van Ness Ave.   |   | Vice President/Regulation & Public Affairs                          |  |  |  |  |  |
| San Francisco, CA 94102   |   | Southwest Gas Corporation   |  |  |  |  |  |
| E-mail: edtariffunit@cpuc.ca.gov  |   | P. O. Box 98510<br>Las Vegas, NV 89193-8510                         |  |  |  |  |  |
|   |   | E-mail: justin.brown@swgas.com                                      |  |  |  |  |  |
|   | F   | acsimile: 702-364-3452  |  |  |  |  |  |

<sup>&</sup>lt;sup>1</sup> Discuss in AL if more space is needed.

California Gas Tariff

| 84th Revised Cal. P.U.C. Sheet No. | 65 |
|------------------------------------|----|
| 83rd Revised Cal. P.U.C. Sheet No. | 65 |

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

Canceling \_

|   |  |           |      | Ch  | arges [2] |            |     |          |          |     |        |    |         |                |    |
|---|--|-----------|------|-----|-----------|------------|-----|----------|----------|-----|--------|----|---------|----------------|----|
| ı |  |           |      |     | and       | Subtotal G |     | <u>c</u> | Other Su | rcl | harges |    |         | Effective      |    |
|   | Schedule No. and Type of Charge                | <u>Ma</u> | rgin | Adj | ustments  | Usage Ra   | ite | (        | CPUC     |     | PPP    | G  | as Cost | Sales Rate     | 2  |
| ı | GS-10-Residential Gas Service                  | _         |      |     |           |            |     |          |          |     |        |    |         |                |    |
| ı | Basic Service Charge                           | \$5.00    | )    |     |           |            |     |          |          |     |        |    |         | \$5.00         |    |
| ı | Cost per Therm                                 |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| ı | Baseline Quantities                            | \$ .66    | 8835 | \$  | .29643    | \$ .96478  | 5   | \$.      | .00139   | \$  | .15841 | \$ | .30053  | \$1.42511      | 1  |
| ı | Tier II  | \$ .83    | 3962 |     | .29643    | 1.13605    |     |          | .00139   |     | .15841 |    | .30053  | 1.59638        | 1  |
| ľ | GS-11-Residential Air-Conditioning Gas Service |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| I | Basic Service Charge                           | \$5.00    | )    |     |           |            |     |          |          |     |        |    |         | \$5.00         |    |
| ı | Cost per Therm                                 |           |      |     |           |            |     |          |          |     |        |    |         | ¥ 3.33         | 1  |
| ı | Tier I   | \$ .66    | 835  | \$  | .29643    | \$ .96478  | 9   | \$.      | .00139   | \$  | .15841 | \$ | .30053  | \$1.42511      | Ы  |
|   | Tier II  | .83       | 3962 |     | .29643    | 1.13605    |     |          | .00139   |     | .15841 |    | .30053  | 1.59638        | П  |
|   | Air-Conditioning                               | \$ .33    | 3417 |     | .29643    | .63060     |     |          | .00139   |     | .15841 |    | .30053  | 1.09093        | 1  |
| İ | GS-12-CARE Residential Gas Service             |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| l | Basic Service Charge                           | \$4.00    | )    |     |           |            |     |          |          |     |        |    |         | \$4.00         | ı  |
| ı | Cost per Therm                                 |           |      |     |           |            |     |          |          |     |        |    |         | •              |    |
| I | Baseline Quantities                            | \$ .41    | 529  | \$  | .29643    | \$ .71172  | 9   | δ.       | .00139   | \$  | .03984 | \$ | .30053  | \$1.05348      | П  |
| ı | Tier II  | .55       | 230  |     | .29643    | .84873     |     |          | .00139   |     | .03984 |    | .30053  | \$1.19049      | П  |
| ı | GS-15-Secondary Residential Gas Service        |           |      |     |           |            |     |          |          |     |        |    |         |                | ı  |
| I | Basic Service Charge                           | \$6.00    | )    |     |           |            |     |          |          |     |        |    |         | \$6.00         | ı  |
| l | Cost per Therm                                 | \$1.02    | 862  | \$  | .29643    | \$1.32505  | 9   | δ.       | .00139   | \$  | .15841 | \$ | .30053  | \$1.78538      | П  |
| ı | GS-20-Multi-Family Master-Metered Gas Service  |           |      |     |           |            |     |          |          | •   |        | •  |         | *              | ľ  |
| ĺ | Basic Service Charge                           | \$25.0    | n    |     |           |            |     |          |          |     |        |    |         | \$25.00        |    |
| ļ | Cost per Therm                                 | Ψ20.0     | •    |     |           |            |     |          |          |     |        |    |         | φ25.00         |    |
| ı | Baseline Quantities                            | \$ .66    | 835  | \$  | .29643    | \$ .96478  | g   |          | 00139    | \$  | .15841 | \$ | .30053  | \$1.42511      | l۱ |
| l | Tier II  | •         | 962  | *   | .29643    | 1.13605    | *   |          | 00139    | Ψ   | .15841 | Ψ  | .30053  | 1.59638        | H  |
| l | GS-25 -Multi-Family Master-Metered Gas         |           |      |     |           |            |     | •        |          |     |        |    | .00000  | 1.00000        | Ι. |
| l | Service-Submetered                             |           |      |     |           |            |     |          |          |     |        |    |         |                | ı  |
| l | Basic Service Charge                           | \$25.0    | 0    |     |           |            |     |          |          |     |        |    |         | \$25.00        |    |
| l | Cost per Therm                                 |           |      |     |           |            |     |          |          |     |        |    |         | <b>4</b> _0.00 |    |
| l | Baseline Quantities                            | \$ .66    | 835  | \$  | .29643    | \$ .96478  | \$  | 6 .      | 00139    | \$  | .15841 | \$ | .30053  | \$1.42511      | П  |
| l | Tier II  | .83       | 962  |     | .29643    | 1.13605    |     | .1       | 00139    |     | .15841 |    | .30053  | 1.59638        | h  |
| l | Submetered Discount per Occupied Space         | (\$7.69   | 3)   |     |           |            |     |          |          |     |        |    |         | (\$7.69)       |    |
| l | GS-35-Agriculture Employee Housing & Nonprofit |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| l | Group Living Facility Gas Service              |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| l | Basic Service Charge                           | \$8.80    |      |     |           |            |     |          |          |     |        |    |         | \$8.80         |    |
| l | Cost per Therm                                 |           |      |     |           |            |     |          |          |     |        |    |         |                | l  |
| l | First 100                                      |           | 246  | \$  | .29643    | .65889     | \$  | ). 6     | 00139    | \$  | .03984 | \$ | .30053  | \$1.00065      | 1  |
| l | Next 500                                       |           | 578  |     | .29643    | .53221     |     | -        | 00139    |     | .03984 |    | .30053  | .87397         | 1  |
| l | Next 2,400                                     |           | 442  |     | .29643    | .43085     |     |          | 00139    |     | .03984 |    | .30053  | .77261         | 1  |
| l | Over 3,000                                     | .00       | 857  |     | .29643    | .30500     |     | .(       | 00139    |     | .03984 |    | .30053  | .64676         | П  |
| l | GS-40-Core General Gas Service                 |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| l | Basic Service Charge                           | \$11.0    | 0    |     |           |            |     |          |          |     |        |    |         | \$11.00        |    |
|   | Transportation Service Charge                  | \$780.    | 00   |     |           |            |     |          |          |     |        |    |         | \$780.00       |    |
|   | Cost per Therm                                 |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
|   | First 100                                      | \$ .60    |      |     |           | \$ .89875  | \$  |          | 00139 \$ |     | .15841 | \$ | .30053  | \$1.35908      | П  |
|   | Next 500                                       | \$ .44    |      |     | .29643    | .74039     |     |          | 00139    |     | .15841 |    | .30053  | 1.20072        | Ш  |
|   | Next 2,400                                     | \$ .31    |      |     | .29643    | .61370     |     |          | 00139    |     | .15841 |    | .30053  | 1.07403        |    |
|   | Over 3,000                                     | \$ .15    | 995  |     | .29643    | .45638     |     | ).       | 00139    |     | .15841 |    | .30053  | .91671         | П  |
|   |  |           |      |     |           |            |     |          |          |     |        |    |         |                |    |
| ı |  |           |      |     |           |            |     |          |          |     |        |    |         |                | ı  |

|                        | Issued by        | Date FiledDecember 27, 2016 |
|------------------------|------------------|-----------------------------|
| Advice Letter No. 1028 | Justin Lee Brown | Effective January 1, 2017   |
| Decision No            | Vice President   | Resolution No. M-4830       |

### SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

85th Revised Cal. P.U.C. Sheet No. 66
84th Revised Cal. P.U.C. Sheet No. 66

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

Canceling \_

|  |           |             |              |                     |           |                 | ı |
|--|-----------|-------------|--------------|---------------------|-----------|-----------------|---|
|  |           | Charges [2] |              |                     |           |                 | l |
|  |           | and         | Subtotal Gas |                     |           | Effective       | 1 |
| Schedule No. and Type of Charge              | Margin    | Adjustments | Usage Rate   | CPUC PPP            | Gas Cost  | Sales Rate      |   |
| GS-50-Core Natural Gas Service for Motor     |           |             |              |                     |           |                 | ı |
| Vehicles                                     |           |             |              |                     |           |                 | l |
| Basic Service Charge                         | \$25.00   |             |              |                     |           | \$25.00         | ı |
| Cost per Therm                               |           | \$ .29643   | \$ .41465    | \$ .00139 \$ .15841 | \$ .30053 | \$ .87498       | l |
|  |           |             |              |                     | ,         | ,               | l |
| GS-60-Core Internal Combustion Engine Gas    |           |             |              |                     |           |                 |   |
| Service                                      | - 00= 00  |             |              |                     |           |                 | ı |
| Basic Service Charge<br>Cost per Therm       | \$25.00   | Ф 00040     | A 47000      | A 00400 A 45044     |           | \$25.00         | ı |
| Cost per Tileilli                            | \$ .17563 | \$ .29643   | \$ .47206    | \$ .00139 \$ .15841 | \$ .30053 | \$ .93239       | ı |
| GS-LUZ-Solar Electric Generation Gas Service |           |             |              |                     |           |                 |   |
| Basic Service Charge                         | \$50.00   |             |              |                     |           | \$50.00         | ı |
| Cost per Therm                               |           | \$ .17135   | \$ .22199    | \$ .00139           |           | \$ .22338       |   |
|  |           |             |              |                     |           |                 |   |
| GS-66-Core Small Electric Power Generation   |           |             |              |                     |           |                 | ı |
| Gas Service                                  |           |             |              |                     |           |                 | ı |
| Basic Service Charge                         | \$25.00   |             |              |                     |           | \$25.00         | ı |
| Cost per Therm                               | \$ .25015 | \$ .29643   | \$ .54658    | \$ .00139           | \$ .30053 | \$ .84850       |   |
| GS-70-Noncore General Gas Transportation     |           |             |              |                     |           |                 |   |
| Service                                      |           |             |              |                     |           |                 |   |
| Basic Service Charge                         | \$100.00  |             |              |                     |           | \$100.00        | ı |
| Transportation Service Charge                | \$780.00  |             |              |                     |           | \$780.00        | ı |
| Cost per Therm                               | \$ .12834 | \$ .19681   | \$ .32515    | \$ .00139 \$ .15841 |           | \$ .48495       |   |
| GS-VIC City of Victorville Gas Service       |           |             |              |                     |           |                 |   |
| Basic Service Charge                         | \$11.00   |             |              |                     |           | \$ 11.00        |   |
| Transportation Service Charge                | \$780.00  |             |              |                     |           | \$780.00        |   |
| Cost per Therm                               | \$ .35956 | \$ .29636   | \$ .65592    | \$ .00139           | \$ .30053 | \$ .95784       | ı |
|  | ,         | •           | ,            | *                   | *         | <b>V</b> 100101 |   |
| TFF-Transportation Franchise Fee Surcharge   |           |             |              |                     |           |                 |   |
| Provision                                    |           |             |              |                     |           |                 |   |
| TFF Surcharge per Therm                      |           |             |              |                     |           | \$ .00337       |   |
| TDS – Transportation Distribution System     |           |             |              |                     |           |                 |   |
| Shrinkage Charge                             |           |             |              |                     |           |                 |   |
| TDS Charge per Therm                         | -         |             |              |                     |           | \$ .00228       |   |
|  |           |             |              |                     |           | Ψ.00220         |   |
| MHPS-Master-Metered Mobile Home Park         |           |             |              |                     |           |                 |   |
| Safety Inspection Provision                  | _         |             |              |                     |           |                 |   |
| MHPS Surcharge per Space per Month           |           |             |              |                     |           | \$ .21000       |   |
|  |           |             |              |                     |           |                 |   |

| Issued by        | Date Filed _     | December 27, 2016          |  |
|------------------|------------------|----------------------------|--|
| Justin Lee Brown | Effective        | January 1, 2017            |  |
| Vice President   | Resolution       | No. <u>M-4830</u>          |  |
|                  | Justin Lee Brown | Justin Lee Brown Effective | Justin Lee Brown Effective January 1, 2017 |

## SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

|           | <u>82nd Revised</u> | Cal. P.U.C. Sheet No  |
|-----------|---------------------|-----------------------|
| Canceling | 81st Revised        | Cal. P.U.C. Sheet No. |

68

68

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

|  |                     | _  |                   |                            |    |          |         |        |    |         |                         |    |
|--|---------------------|----|-------------------|----------------------------|----|----------|---------|--------|----|---------|-------------------------|----|
| ,  |                     | С  | harges [3]<br>and | Subtotal Car               | _  | Other C. | ırab    | 0.000  |    |         | - Martine               |    |
| Schedule No. and Type of Charge                      | Margin              | A  | djustments        | Subtotal Gas<br>Usage Rate |    | Other Su | II CI I | PPP    | c  | as Cost | Effective<br>Sales Rate | 1  |
|  |                     |    |                   |                            |    | 0.00     |         |        |    | 0000    | - Calco Hate            | -  |
| GN-10-Residential Gas Service                        |                     |    |                   |                            |    |          |         |        |    |         | _                       | ı  |
| Basic Service Charge                                 | \$5.00              |    |                   |                            |    |          |         |        |    |         | \$5.00                  |    |
| Cost per Therm Baseline Quantities                   | \$ .71036           | Ф  | .43006            | \$1.14042                  | \$ | .00139   | \$      | .05362 | \$ | .29205  | \$1.48748               | ١. |
| Tier II  | .82117              | Ψ  | .43006            | 1.25123                    | Ψ  | .00139   | Φ       | .05362 | φ  | .29205  | 1.59829                 | H  |
|  |                     |    |                   | 1120120                    |    | .00100   |         | .00002 |    | .20200  | 1.00020                 | Ι΄ |
| GN-12-CARE Residential Gas Service                   |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Basic Service Charge                                 | \$4.00              |    |                   |                            |    |          |         |        |    |         | \$4.00                  |    |
| Cost per Therm  Baseline Quantities                  | \$ .42387           | æ  | .43006            | \$ .85393                  | \$ | .00139   | ¢       | .03984 | Ф  | .29205  | \$1.18721               | ١. |
| Tier II  | .51251              | Ψ  | .43006            | .94257                     | φ  | .00139   | φ       | .03984 | φ  | .29205  | 1.27585                 | li |
|  | .01201              |    | .10000            | .0-1201                    |    | .00100   |         | .00004 |    | .23200  | 1.27505                 | Ι' |
| GN-15-Secondary Residential Gas Service              |                     |    |                   |                            |    |          |         |        |    |         |                         | ı  |
| Basic Service Charge                                 | \$6.00              | •  | 40000             |                            |    |          |         |        |    |         | \$6.00                  | ١. |
| Cost per Therm                                       | \$ .85533           | \$ | .43006            | \$1.28539                  | \$ | .00139   | \$      | .05362 | \$ | .29205  | \$1.63245               | ľ  |
| GN-20-Multi-Family Master-Metered Gas                |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Service  |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Basic Service Charge                                 | \$25.00             |    |                   |                            |    |          |         |        |    |         | \$25.00                 |    |
| Cost per Therm                                       |                     | _  |                   |                            |    |          |         |        |    |         |                         |    |
| Baseline Quantities                                  | \$ .71036           | \$ | .43006            | \$1.14042                  | \$ |          | \$      | .05362 | \$ | .29205  | \$1.48748               |    |
| Tier II  | .82117              |    | .43006            | 1.25123                    |    | .00139   |         | .05362 |    | .29205  | 1.59829                 | 11 |
| GN-25-Multi-Family Master-Metered Gas                |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Service-Submetered                                   | _                   |    |                   |                            |    |          |         |        |    |         |                         | l  |
| Basic Service Charge                                 | \$25.00             |    |                   |                            |    |          |         |        |    |         | \$25.00                 |    |
| Cost per Therm                                       |                     | _  |                   |                            | _  |          |         |        |    |         |                         |    |
| Baseline Quantities                                  | \$ .71036           | \$ | .43006            | \$1.14042                  | \$ | .00139   | \$      |        | \$ | .29205  | \$1.48748               | 1! |
| Tier II Submetered Discount per Occupied Space       | .82117<br>(\$11.01) |    | .43006            | 1.25123                    |    | .00139   |         | .05362 |    | .29205  | 1.59829                 |    |
| Cubinicial Discount per Occupied Space               | (\$11.01)           |    |                   |                            |    |          |         |        |    |         | (\$11.01)               |    |
| GN-35-Agriculture Employee Housing &                 |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Nonprofit Group Living Facility Gas Service          |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Basic Service Charge                                 | \$ 8.80             |    |                   |                            |    |          |         |        |    |         | \$ 8.80                 |    |
| Cost per Therm<br>First 100                          | ¢ 20055             | φ  | 42000             | £ 75004                    | æ  | 00400    | •       | 00004  | •  | 00005   | <b>0.4.00400</b>        | ١. |
| Next 500   | \$ .32855<br>.23311 | Φ  | .43006<br>.43006  | \$ .75861<br>.66317        | Ф  | .00139   | Ф       | .03984 | \$ | .29205  | \$1.09189<br>.99645     | H  |
| Next 2,400   | .14021              |    | .43006            | .57027                     |    | .00139   |         | .03984 |    | .29205  | .90355                  | H  |
| Over 3,000   | ( .00602)           |    | .43006            | .42404                     |    | .00139   |         | .03984 |    | .29205  | .75732                  | Ιi |
| ON 40 O O O O '                                      |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| GN-40-Core General Gas Service  Basic Service Charge | - 644.00            |    |                   |                            |    |          |         |        |    |         | 044.00                  | l  |
| Transportation Service Charge                        | \$11.00<br>\$780.00 |    |                   |                            |    |          |         |        |    |         | \$11.00                 |    |
| Cost per Therm                                       | φ/60.00             |    |                   |                            |    |          |         |        |    |         | \$780.00                |    |
| First 100  | \$ .59122           | \$ | .43006            | \$1.02128                  | \$ | .00139   | \$      | .05362 | \$ | .29205  | \$1.36834               | l١ |
| Next 500   | .47192              | •  | .43006            | .90198                     | •  | .00139   | *       | .05362 | *  | .29205  | 1.24904                 | li |
| Next 2,400   | .35579              |    | .43006            | .78585                     |    | .00139   |         | .05362 |    | .29205  | 1.13291                 | 1  |
| Over 3,000   | .17300              |    | .43006            | .60306                     |    | .00139   |         | .05362 |    | .29205  | .95012                  |    |
| GN-50-Core Natural Gas Service for Motor             |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Vehicles   |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
| Basic Service Charge                                 | \$25.00             |    |                   |                            |    |          |         |        |    |         | \$25.00                 |    |
| Cost per Therm                                       | \$ .09852           | \$ | .43006            | \$ .52858                  | \$ | .00139   | \$      | .05362 | \$ | .29205  | \$ .87564               | 1  |
|  |                     |    |                   |                            |    |          |         |        |    |         |                         |    |
|  |                     |    |                   |                            |    |          |         |        |    |         |                         |    |

|                  |      | Issued by        | Date Filed _ | December 27, 2016 |
|------------------|------|------------------|--------------|-------------------|
| Advice Letter No | 1028 | Justin Lee Brown | Effective    | January 1, 2017   |
| Decision No      |      | Vice President   | Resolution N | lo. <u>M-4830</u> |

### SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

|           | 84th | Revised |
|-----------|------|---------|
| Canceling | 83rd | Revised |

Cal. P.U.C. Sheet No. \_\_\_ Cal. P.U.C. Sheet No. 69

### STATEMENT OF RATES

### RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

| Schedule No. and Type of Charge                                  | Margin                | Charges [3]<br>and<br>Adjustments | Subtotal Gas<br>Usage Rate | Other Surcharges CPUC PPP | Gas Cost  | Effective<br>Sales Rate |
|--|-----------------------|-----------------------------------|----------------------------|---------------------------|-----------|-------------------------|
| GN-60-Core Internal Combustion Engine Gas<br>Service             |                       |                                   |                            |                           |           |                         |
| Basic Service Charge<br>Cost per Therm                           | \$ 25.00<br>\$ .27273 | \$ .43006                         | \$ .70279                  | \$ .00139 \$ .05362       | \$ .29205 | \$ 25.00<br>\$ 1.04985  |
| GN-66-Core Small Electric Power Generation Gas Service           |                       |                                   |                            |                           |           |                         |
| Basic Service Charge   | \$ 25.00              |                                   |                            |                           |           | \$ 25.00                |
| Cost per Therm   | \$ .27273             | \$ .43006                         | \$ .70279                  | \$ .00139                 | \$ .29205 | \$ .99623               |
| GN-70-Noncore General Gas Transportation Service                 |                       |                                   |                            |                           |           |                         |
| Basic Service Charge   | \$ 100.00             |                                   |                            |                           |           | \$ 100.00               |
| Transportation Service Charge                                    | \$ 780.00             | <b>A</b> 44054                    |                            |                           |           | \$ 780.00               |
| Cost per Therm   | \$ .16437             | \$ .14651                         | \$ .31088                  | \$ .00139 \$ .05362       |           | \$ .36589               |
| TFF-Transportation Franchise Fee Surcharge Provision             | _                     |                                   |                            |                           |           |                         |
| TFF Surcharge per Therm  |                       |                                   |                            |                           |           | \$ .00374               |
| TDS – Transportation Distribution System Shrinkage Charge        | -                     |                                   |                            |                           |           |                         |
| TDS Charge per Therm   |                       |                                   |                            |                           |           | \$ .00164               |
| MHPS-Master-Metered Mobile Home Park Safety Inspection Provision |                       |                                   |                            |                           |           |                         |
| MHPS Surcharge per Space per Month                               | -                     |                                   |                            |                           |           | \$ .21000               |
| min o caronargo por opado por Moriar                             |                       |                                   |                            |                           |           | φ .21000                |

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-<br>GN-<br>GN-<br>GN-<br>GN-2 | 12, GN-4<br>15, GN-4<br>20, GN-6 | 40,<br>50,<br>60, | GN-70  |   |
|-------------------------------------|----------------------------------|----------------------------------|-------------------|--------|---|
| Upstream Interstate Charges         |                                  | -0, 011                          |                   | 01170  | _ |
| Storage                             | \$                               | .02627                           |                   |        |   |
| Reservation                         | .21382                           |                                  |                   |        |   |
| IRRAM Surcharge                     | .00004                           |                                  | \$                | .00004 |   |
| Balancing Account Adjustments       |                                  |                                  |                   |        |   |
| FCAM*                               |                                  | .18993                           |                   | .14647 |   |
| GHGBA**                             |                                  |                                  |                   |        |   |
| Non-Covered Entities                |                                  |                                  |                   |        |   |
| Covered Entities                    |                                  |                                  |                   |        |   |
| Total Rate Adjustment               | \$                               | .43006                           | \$                | .14651 | _ |

<sup>\*</sup> The FCAM surcharge includes an amount of -\$.02764 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

|                  |      | Issued by        | Date Filed   | December 27, 2016 |   |
|------------------|------|------------------|--------------|-------------------|---|
| Advice Letter No | 1028 | Justin Lee Brown | Effective    | January 1, 2017   | _ |
| Decision No      |      | Vice President   | Resolution N | lo. <u>M-4830</u> | _ |

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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).

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling 48tl

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

|  |             | С        | harges [2]        |    |             |    |          |      |              |    |         |                         |    |
|--|-------------|----------|-------------------|----|-------------|----|----------|------|--------------|----|---------|-------------------------|----|
| Schedule No. and Type of Charge                          | Margin      |          | and<br>djustments |    | ubtotal Gas |    | Other Su | ırch | arges<br>PPP | G  | as Cost | Effective<br>Sales Rate |    |
| SLT-10-Residential Gas Service                           |             |          | -,                |    | ougo i iuto |    | 0.00     |      |              |    | 40 0001 | - Daics Hate            | 1  |
| Basic Service Charge                                     | —<br>\$5.00 |          |                   |    |             |    |          |      |              |    |         | <b>*</b> = 00           | ı  |
| Cost per Therm   | φ 5.00      |          |                   |    |             |    |          |      |              |    |         | \$5.00                  |    |
| Baseline Quantities                                      | \$ .31102   | \$       | .38960            | \$ | .70062      | \$ | .00139   | \$   | .05362       | æ  | 20205   | \$1.04768               | L  |
| Tier II  | .39856      | •        | .38960            | Ψ  | .78816      | Ψ  | .00139   | Ψ    | .05362       | Ψ  | .29205  | 1.13522                 | Ľ  |
| SIT 12 CARE Decidential Con Continu                      | .00000      |          | .00000            |    | .,,,,,,,    |    | .00100   |      | .00002       |    | .23200  | 1.13322                 | Ι' |
| SLT-12-CARE Residential Gas Service Basic Service Charge |             |          |                   |    |             |    |          |      |              |    |         |                         | l  |
| Cost per Therm   | \$4.00      |          |                   |    |             |    |          |      |              |    |         | \$4.00                  | ı  |
| Baseline Quantities                                      | \$ .11249   | \$       | .38960            | Ф  | .50209      | \$ | .00139   | •    | 02004        | ው  | 20205   | <b>Ф</b> 02527          | ١. |
| Tier II  | .18252      | •        | .38960            | Φ  | .57212      | Φ  | .00139   | \$   | .03984       | \$ | .29205  | \$ .83537<br>.90540     | H  |
|  | .10232      |          | .50500            |    | .57212      |    | .00139   |      | .03904       |    | .29205  | .90540                  | '  |
| SLT-15-Secondary Residential Gas Service                 |             |          |                   |    |             |    |          |      |              |    |         |                         |    |
| Basic Service Charge                                     | \$6.00      | •        | 00000             | _  | 00440       | •  | 00400    |      |              |    |         | \$6.00                  | ١. |
| Cost per Therm   | \$ .43159   | \$       | .38960            | \$ | .82119      | \$ | .00139   | \$   | .05362       | \$ | .29205  | \$1.16825               | П  |
| SLT-20-Multi-Family Master-Metered Gas<br>Service        |             |          |                   |    |             |    |          |      |              |    |         |                         |    |
| Basic Service Charge                                     | <br>\$11.00 |          |                   |    |             |    |          |      |              |    |         | 044.00                  | L  |
| Cost per Therm   | Φ11.00      |          |                   |    |             |    |          |      |              |    |         | \$11.00                 | ı  |
| Baseline Quantities                                      | \$ .31102   | \$       | .38960            | æ  | .70062      | Ф  | .00139   | \$   | .05362       | \$ | 20205   | \$1.04768               | ١. |
| Tier II  | .39856      | Ψ        | .38960            | Ψ  | .78816      | φ  | .00139   | φ    | .05362       | Φ  | .29205  | 1.13522                 | H  |
| SLT-25-Multi-Family Master-Metered Gas                   | .00000      |          | .00000            |    | .70010      |    | .00133   |      | .03302       |    | .25203  | 1.13322                 | Ι' |
| Service-Submetered                                       |             |          |                   |    |             |    |          |      |              |    |         |                         |    |
| Basic Service Charge                                     | <br>\$11.00 |          |                   |    |             |    |          |      |              |    |         | \$11.00                 |    |
| Cost per Therm   | Ψ11.00      |          |                   |    |             |    |          |      |              |    |         | Ψ11.00                  | ı  |
| Baseline Quantities                                      | \$ .31102   | \$       | .38960            | \$ | .70062      | \$ | .00139   | \$   | .05362       | \$ | .29205  | \$1.04768               | h  |
| Tier II  | .39856      | *        | .38960            | •  | .78816      | *  | .00139   | Ψ    | .05362       | Ψ  | .29205  | 1.13522                 | Li |
| Submetered Discount per Occupied Space                   | (\$7.69)    |          |                   |    |             |    | 100100   |      | .00002       |    | .20200  | (\$ 7.69)               | ľ  |
| SLT-35-Agriculture Employee Housing &                    | , ,         |          |                   |    |             |    |          |      |              |    |         | (+                      |    |
| Nonprofit Group Living Facility Gas Service              | _           |          |                   |    |             |    |          |      |              |    |         |                         |    |
| Basic Service Charge                                     | \$ 8.80     |          |                   |    |             |    |          |      |              |    |         | \$ 8.80                 |    |
| Cost per Therm   |             |          |                   |    |             |    |          |      |              |    |         |                         |    |
| First 100  | \$ .20151   | \$       | .38960            | \$ | .59111      | \$ | .00139   | \$   | .03984       | \$ | .29205  | \$ .92439               | П  |
| Next 500   | .15084      |          | .38960            |    | .54044      |    | .00139   |      | .03984       |    | .29205  | .87372                  | П  |
| Next 2,400   | .10016      |          | .38960            |    | .48976      |    | .00139   |      | .03984       |    | .29205  | .82304                  |    |
| Over 3,000   | .00671      |          | .38960            |    | .39631      |    | .00139   |      | .03984       |    | .29205  | .72959                  | П  |
| SLT-40-Core General Gas Service                          |             |          |                   |    |             |    |          |      |              |    |         |                         |    |
| Basic Service Charge                                     | \$11.00     |          |                   |    |             |    |          |      |              |    |         | \$11.00                 |    |
| Transportation Service Charge                            | \$780.00    |          |                   |    |             |    |          |      |              |    |         | \$780.00                |    |
| Cost per Therm   |             |          |                   |    |             |    |          |      |              |    |         |                         | ĺ  |
| First 100  | \$ .42230   | \$       | .38960            | \$ | .81190      | \$ | .00139   | \$   | .05362       | \$ | .29205  | \$1.15896               |    |
| Next 500   | .35896      |          | .38960            |    | .74856      |    | .00139   |      | .05362       |    | .29205  | 1.09562                 |    |
| Next 2,400   | .29561      |          | .38960            |    | .68521      |    | .00139   |      | .05362       |    | .29205  | 1.03227                 |    |
| Over 3,000   | .17880      |          | .38960            |    | .56840      |    | .00139   |      | .05362       |    | .29205  | .91546                  | П  |
| SLT-50-Core Natural Gas Service for Motor                |             |          |                   |    |             |    |          |      |              |    |         |                         |    |
| Vehicles  Pagio Sontino Charge                           | - 044.00    |          |                   |    |             |    |          |      |              |    |         | <b>0.1.1.0</b> 5        |    |
| Basic Service Charge Cost per Therm                      | \$11.00     | <b>.</b> | 20000             | ø  | E0040       | Φ. | 00400    | •    | 05000        | •  | 00005   | \$11.00                 |    |
| Oost per menn  | \$ .20358   | Ф        | .38960            | ф  | .59318      | \$ | .00139   | ф    | .05362       | ф  | .29205  | \$ .94024               | Н  |
|  |             |          |                   |    |             |    |          |      |              |    |         |                         |    |

| Lee Brown Effective    | January 1, 2017   |
|------------------------|-------------------|
| President Resolution I | No. <u>M-4830</u> |
|                        |                   |

## SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

| 84th Revised | Cal. P.U.C. Sheet No. | 71 |
|--------------|-----------------------|----|
| 83rd Revised | Cal. P.U.C. Sheet No. | 71 |

### STATEMENT OF RATES

Canceling \_

| Schedule No. and Type of Charge                      | Margin    | Charges [2]<br>and<br>Adjustments | Subtotal Gas<br>Usage Rate | Other Surcharges CPUC PPP | Gas Cost  | Effective<br>Sales Rate |
|--|-----------|-----------------------------------|----------------------------|---------------------------|-----------|-------------------------|
|  | Margin    | Aujustilielits                    | Osage Nate                 | 0100 111                  | Oas Cost  | Sales Nate              |
| SLT-60-Core Internal Combustion Engine               |           |                                   |                            |                           |           |                         |
| Gas Service  |           |                                   |                            |                           |           |                         |
| Basic Service Charge                                 | \$ 11.00  |                                   |                            |                           |           | \$ 11.00                |
| Cost per Therm                                       | \$ .23175 | \$ .38960                         | \$ .62135                  | \$ .00139 \$ .05362       | \$ .29205 | \$ .96841               |
| SLT-66-Core Small Electric Power Generation          |           |                                   |                            |                           |           |                         |
| Gas Service  |           |                                   |                            |                           |           |                         |
| Basic Service Charge                                 | \$ 11.00  |                                   |                            |                           |           | \$ 11.00                |
| Cost per Therm                                       | \$ .23175 | \$ .38960                         | \$ .62135                  | \$ .00139                 | \$ .29205 | \$ .91479               |
| SLT 70 Noncoro Conorol Con Transportation            |           |                                   |                            |                           |           |                         |
| SLT-70-Noncore General Gas Transportation<br>Service |           |                                   |                            |                           |           |                         |
| Basic Service Charge                                 | \$ 100.00 |                                   |                            |                           |           | £ 400.00                |
| 9  | \$ 780.00 |                                   |                            |                           |           | \$ 100.00               |
| Transportation Service Charge                        | \$ 780.00 | Ф 4000г                           | Ф 07040                    | ₾ 00400 ₾ 05000           |           | \$ 780.00               |
| Cost per Therm                                       | \$ .16707 | \$ .10605                         | \$ .27312                  | \$ .00139 \$ .05362       |           | \$ .32813               |
| TFF-Transportation Franchise Fee Surcharge           |           |                                   |                            |                           |           |                         |
| Provision  |           |                                   |                            |                           |           |                         |
| TFF Surcharge per Therm                              |           |                                   |                            |                           |           | \$ .00374               |
| TDO Terror and the Dist in the Oast                  |           |                                   |                            |                           |           |                         |
| TDS-Transportation Distribution System               |           |                                   |                            |                           |           |                         |
| Shrinkage Charge                                     |           |                                   |                            |                           |           |                         |
| TDS Charge per Therm                                 |           |                                   |                            |                           |           | \$ .00164               |
| MHPS-Master-Metered Mobile Home Park                 |           |                                   |                            |                           |           |                         |
| Safety Inspection Provision                          |           |                                   |                            |                           |           |                         |
| MHPS Surcharge per Space per Month                   |           |                                   |                            |                           |           | \$ .21000               |

RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

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

|                                     | SL<br>SL | T-10,<br>T-12,<br>T-15,<br>T-20, | SLT-35,<br>SLT-40,<br>SLT-50,<br>SLT-60, |              |
|-------------------------------------|----------|----------------------------------|--|--------------|
| Charges and Adjustments Description | SL       | T-25,                            | SLT-66                                   | SLT-70       |
| Upstream Interstate Charges         |          |                                  |  |              |
| Storage                             | \$       | .026                             | 27                                       |              |
| Reservation                         |          | .213                             | 82                                       |              |
| IRRAM Surcharge                     |          | .000                             | 04                                       | \$<br>.00004 |
| Balancing Account Adjustment        |          |                                  |  |              |
| FCAM *                              |          | .149                             | 47                                       | .10601       |
| GHGBA                               |          |                                  |  |              |
| Non-Covered Entities                |          |                                  |  |              |
| Covered Entities                    |          |                                  |  |              |
| Total Rate Adjustment               | \$       | .389                             | 60                                       | \$<br>.10605 |

<sup>\*</sup> 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.

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|                  |      | Issued by        | Date Filed December 27, 2016 |  |
|------------------|------|------------------|------------------------------|--|
| Advice Letter No | 1028 | Justin Lee Brown | Effective January 1, 2017    |  |
| Decision No.     |      | Vice President   | Resolution No. M-4830        |  |
|                  |      |                  |                              |  |

<sup>[1]</sup> 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.

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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).