

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 5, 2017

Advice Letter 1040

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

**Subject: To Update Procurement Charges Applicable to Schedule No. GCP for
Core Customers and the TFF and TDS Surcharges Applicable to Core
and Non-Core Customers in SWG's California Service Areas**

Dear Mr. Brown:

Advice Letter 1040 is effective as of June 1, 2017.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

June 1, 2017

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

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 1040

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1040, together with California Gas Tariff Sheet Nos. 65, 66, 68-71 and 123.

Sincerely,



Valerie J. Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1040

June 1, 2017

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas) (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. |
|-------------------------------|---|---------------------------------------|
| 90th Revised Sheet No. 65 | Statement of Rates - Rates Applicable to Southern California Service Area | 89th Revised Sheet No. 65 |
| 91st Revised Sheet No. 66 | Statement of Rates - Rates Applicable to Southern California Service Area | 90th Revised Sheet No. 66 |
| 88th Revised Sheet No. 68 | Statement of Rates - Rates Applicable to Northern California Service Area | 87th Revised Sheet No. 68 |
| 90th Revised Sheet No. 69 | Statement of Rates - Rates Applicable to Northern California Service Area | 89th Revised Sheet No. 69 |
| 55th Revised Sheet No. 70 | Statement of Rates - Rates Applicable to South Lake Tahoe Service Area | 54th Revised Sheet No. 70 |
| 90th Revised Sheet No. 71 | Statement of Rates - Rates Applicable to South Lake Tahoe Service Area | 89th Revised Sheet No. 71 |
| 74th Revised Sheet No. 123 | Schedule No. GCP – Gas Procurement for Core Customers | 73rd Revised Sheet No. 123 |

Purpose

The purpose of this routine monthly filing is to revise the above listed tariff sheets by updating: (1) procurement charges applicable to Schedule No. GCP, Gas Procurement for Core Customers, in compliance with the California Public Utilities Commission's (Commission) letter dated October 20, 2000, approving Southwest Gas' Advice Letter No. 619; (2) the Transportation Franchise Fee (TFF) Surcharge applicable to core and noncore customers who secure their own sources of supply, pursuant to Public Utilities Code, Sections 6350 to 6354, *et seq*; and (3) the Transportation Distribution Shrinkage (TDS) Charge, in accordance with Decision No. (D.)14-06-028.



Purpose (Continued)

For core sales customers, the May 2017 cost of gas, including adjustment for franchises and uncollectibles, is \$0.29953 per therm for Southwest Gas' Southern California Service Area and \$0.30036 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TFF Surcharge rate is \$0.00339 per therm for Southwest Gas' Southern California Service Area and \$0.00370 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TDS Charge is \$0.00228 per therm for Southwest Gas' Southern California Service Area and \$0.00168 for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

Effective Date

Advice Letter No. 626 authorized Southwest Gas to make its monthly gas cost adjustment effective between the first and seventh calendar day of each month. Therefore, Southwest Gas requests the gas cost adjustments be effective June 1, 2017. 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.

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, 4th Floor
San Francisco, CA 94102
E-mail: edtariffunit@cpuc.ca.gov
Facsimile: 415-703-2200



Advice Letter No. 1040
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June 1, 2017

Protest (Continued)

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 filed in accordance with previously authorized procedures as noted herein.

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.

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. 1040

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 905 G) | |
| 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: <u>Valerie J. Ontiveroz</u> Phone #: <u>(702) 876-7323</u> E-mail: <u>valerie.ontiveroz@swgas.com</u> |
| EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water | (Date Filed/ Received Stamp by CPUC) |
| Advice Letter (AL) #: <u>1040</u> | |
| Subject of AL: <u>To update procurement charges applicable to Schedule No. GCP for core customers and the Transportation Franchise Fee (TFF) and Transportation Distribution Shrinkage (TDS) Surcharges applicable to core and noncore customers in Southwest Gas' California service areas</u> | |
| Keywords (choose from CPUC listing): <u>Decreased rates in Southern California (SCA), and increased rates in Northern California (NCA) and South Lake Tahoe (SLT)</u> | |
| AL filing type: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input 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: <u>Not applicable</u> | |
| Summarize differences between the AL and the prior withdrawn or rejected AL ¹ : <u>Not applicable</u> | |
| Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Requested effective date: <u>June 1, 2017</u> | No. of tariff sheets: <u>7</u> |
| Estimated system annual revenue effect (%): <u>(0.41%) SCA, 0.26% NCA, and 0.33% SLT</u> | |
| Estimated system average rate effect (%): <u>(0.41%) SCA, 0.26% NCA, and 0.33% SLT</u> | |
| 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: <u>Schedule No. GCP – Gas Procurement for Core Customers</u> | |
| Service affected and changes proposed ¹ : <u>See 'Subject of AL' above</u> | |
| Pending advice letters that revise the same tariff sheets: <u>Not applicable</u> | |
| 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 | Mr. Justin Lee Brown, Vice-President/Regulation & Public Affairs Southwest Gas Corporation P. O. Box 98510 Las Vegas, NV 89193-8510 E-mail: justin.brown@swgas.com Facsimile: 702-364-3452 |

¹ Discuss in AL if more space is needed.

STATEMENT OF RATES
RATES APPLICABLE TO SOUTHERN CALIFORNIA 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 | | | |
| GS-10-Residential Gas Service | | | | | | | | | |
| Basic Service Charge | \$ 5.00 | | | | | | | \$ 5.00 | |
| Cost per Therm | | | | | | | | | |
| Baseline Quantities | \$.69366 | \$.12657 | \$.82023 | \$.00139 | \$.14256 | \$.29953 | \$ 1.26371 | | R |
| Tier II | \$.86493 | .12657 | .99150 | .00139 | .14256 | .29953 | 1.43498 | | R |
| GS-11-Residential Air-Conditioning Gas Service | | | | | | | | | |
| Basic Service Charge | \$ 5.00 | | | | | | | \$ 5.00 | |
| Cost per Therm | | | | | | | | | |
| Tier I | \$.69366 | \$.12657 | \$.82023 | \$.00139 | \$.14256 | \$.29953 | \$ 1.26371 | | R |
| Tier II | .86493 | .12657 | .99150 | .00139 | .14256 | .29953 | 1.43498 | | R |
| Air-Conditioning | \$.34683 | .12657 | .47340 | .00139 | .14256 | .29953 | .91688 | | R |
| GS-12-CARE Residential Gas Service | | | | | | | | | |
| Basic Service Charge | \$ 4.00 | | | | | | | \$ 4.00 | |
| Cost per Therm | | | | | | | | | |
| Baseline Quantities | \$.46971 | \$.12657 | \$.59628 | \$.00139 | \$.01755 | \$.29953 | \$.91475 | | R |
| Tier II | .60672 | .12657 | .73329 | .00139 | .01755 | .29953 | \$ 1.05176 | | R |
| GS-15-Secondary Residential Gas Service | | | | | | | | | |
| Basic Service Charge | \$ 6.00 | | | | | | | \$ 6.00 | |
| Cost per Therm | \$ 1.06499 | \$.12657 | \$ 1.19156 | \$.00139 | \$.14256 | \$.29953 | \$ 1.63504 | | R |
| GS-20-Multi-Family Master-Metered Gas Service | | | | | | | | | |
| Basic Service Charge | \$ 25.00 | | | | | | | \$ 25.00 | |
| Cost per Therm | | | | | | | | | |
| Baseline Quantities | \$.69366 | \$.12657 | \$.82023 | \$.00139 | \$.14256 | \$.29953 | \$ 1.26371 | | R |
| Tier II | .86493 | .12657 | .99150 | .00139 | .14256 | .29953 | 1.43498 | | R |
| GS-25 -Multi-Family Master-Metered Gas Service-Submetered | | | | | | | | | |
| Basic Service Charge | \$ 25.00 | | | | | | | \$ 25.00 | |
| Cost per Therm | | | | | | | | | |
| Baseline Quantities | \$.69366 | \$.12657 | \$.82023 | \$.00139 | \$.14256 | \$.29953 | \$ 1.26371 | | R |
| Tier II | .86493 | .12657 | .99150 | .00139 | .14256 | .29953 | 1.43498 | | R |
| Submetered Discount per Occupied Space | (\$7.69) | | | | | | (\$7.69) | | |
| GS-35-Agriculture Employee Housing & Nonprofit Group Living Facility Gas Service | | | | | | | | | |
| Basic Service Charge | \$ 8.80 | | | | | | | \$ 8.80 | |
| Cost per Therm | | | | | | | | | |
| First 100 | \$.40988 | \$.12657 | \$.53645 | \$.00139 | \$.01755 | \$.29953 | \$.85492 | | R |
| Next 500 | .27972 | .12657 | .40629 | .00139 | .01755 | .29953 | .72476 | | R |
| Next 2,400 | .17557 | .12657 | .30214 | .00139 | .01755 | .29953 | .62061 | | R |
| Over 3,000 | .05568 | .12657 | .18225 | .00139 | .01755 | .29953 | .50072 | | R |
| 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 | \$.61888 | \$.12657 | \$.74545 | \$.00139 | \$.14256 | \$.29953 | \$ 1.18893 | | R |
| Next 500 | \$.45617 | .12657 | .58274 | .00139 | .14256 | .29953 | 1.02622 | | R |
| Next 2,400 | \$.32599 | .12657 | .45256 | .00139 | .14256 | .29953 | .89604 | | R |
| Over 3,000 | \$.17612 | .12657 | .30269 | .00139 | .14256 | .29953 | .74617 | | R |

Advice Letter No. 1040
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed June 1, 2017
Effective June 1, 2017
Resolution No. _____

STATEMENT OF RATES
RATES APPLICABLE TO SOUTHERN CALIFORNIA 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 | | | |
| GS-50-Core Natural Gas Service for Motor Vehicles | | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | \$25.00 | |
| Cost per Therm | \$.12183 | \$.12657 | \$.24840 | \$.00139 | \$.14256 | \$.29953 | | \$.69188 | R |
| GS-60-Core Internal Combustion Engine Gas Service | | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | \$25.00 | |
| Cost per Therm | \$.18132 | \$.12657 | \$.30789 | \$.00139 | \$.14256 | \$.29953 | | \$.75137 | R |
| GS-LUZ-Solar Electric Generation Gas Service | | | | | | | | | |
| Basic Service Charge | \$50.00 | | | | | | | \$50.00 | |
| Cost per Therm | \$.05217 | \$.00133 | \$.05350 | \$.00139 | | | | \$.05489 | |
| GS-66-Core Small Electric Power Generation Gas Service | | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | \$25.00 | |
| Cost per Therm | \$.26205 | \$.12657 | \$.38862 | \$.00139 | | \$.29953 | | \$.68954 | R |
| GS-70-Noncore General Gas Transportation Service | | | | | | | | | |
| Basic Service Charge | \$100.00 | | | | | | | \$100.00 | |
| Transportation Service Charge | \$780.00 | | | | | | | \$780.00 | |
| Cost per Therm | \$.13261 | \$.03661 | \$.16922 | \$.00139 | \$.14256 | | | \$.31317 | |
| GS-VIC City of Victorville Gas Service | | | | | | | | | |
| Basic Service Charge | \$11.00 | | | | | | | \$ 11.00 | |
| Transportation Service Charge | \$780.00 | | | | | | | \$780.00 | |
| Cost per Therm | \$.37077 | \$.12657 | \$.49734 | \$.00139 | | \$.29953 | | \$.79826 | R |
| TFF-Transportation Franchise Fee Surcharge Provision | | | | | | | | | |
| TFF Surcharge per Therm | | | | | | | | \$.00339 | I |
| TDS – Transportation Distribution System Shrinkage Charge | | | | | | | | | |
| TDS Charge per Therm | | | | | | | | \$.00228 | R |
| MHPS-Master-Metered Mobile Home Park Safety Inspection Provision | | | | | | | | | |
| MHPS Surcharge per Space per Month | | | | | | | | \$.21000 | |

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-10-Residential Gas Service | | | | | | | | |
| Basic Service Charge | \$5.00 | | | | | | | \$5.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.73294 | \$.19984 | \$.93278 | \$.00139 | \$.02947 | \$.30036 | | \$ 1.26400 |
| Tier II | .84375 | .19984 | 1.04359 | .00139 | .02947 | .30036 | | 1.37481 |
| GN-12-CARE Residential Gas Service | | | | | | | | |
| Basic Service Charge | \$4.00 | | | | | | | \$4.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.48631 | \$.19984 | \$.68615 | \$.00139 | \$.01755 | \$.30036 | | \$ 1.00545 |
| Tier II | .57496 | .19984 | .77480 | .00139 | .01755 | .30036 | | 1.09410 |
| GN-15-Secondary Residential Gas Service | | | | | | | | |
| Basic Service Charge | \$6.00 | | | | | | | \$6.00 |
| Cost per Therm | \$.88171 | \$.19984 | \$ 1.08155 | \$.00139 | \$.02947 | \$.30036 | | \$ 1.41277 |
| GN-20-Multi-Family Master-Metered Gas Service | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | \$25.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.73294 | \$.19984 | \$.93278 | \$.00139 | \$.02947 | \$.30036 | | \$ 1.26400 |
| Tier II | .84375 | .19984 | 1.04359 | .00139 | .02947 | .30036 | | 1.37481 |
| GN-25-Multi-Family Master-Metered Gas Service-Submetered | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | \$25.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.73294 | \$.19984 | \$.93278 | \$.00139 | \$.02947 | \$.30036 | | \$ 1.26400 |
| Tier II | .84375 | .19984 | 1.04359 | .00139 | .02947 | .30036 | | 1.37481 |
| Submetered 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 | | | | | | | | |
| First 100 | \$.38594 | \$.19984 | \$.58578 | \$.00139 | \$.01755 | \$.30036 | | \$.90508 |
| Next 500 | .28788 | .19984 | .48772 | .00139 | .01755 | .30036 | | .80702 |
| Next 2,400 | .19242 | .19984 | .39226 | .00139 | .01755 | .30036 | | .71156 |
| Over 3,000 | .04563 | .19984 | .24547 | .00139 | .01755 | .30036 | | .56477 |
| GN-40-Core General Gas Service | | | | | | | | |
| Basic Service Charge | \$11.00 | | | | | | | \$11.00 |
| Transportation Service Charge | \$780.00 | | | | | | | \$780.00 |
| Cost per Therm | | | | | | | | |
| First 100 | \$.60748 | \$.19984 | \$.80732 | \$.00139 | \$.02947 | \$.30036 | | \$ 1.13854 |
| Next 500 | .48490 | .19984 | .68474 | .00139 | .02947 | .30036 | | 1.01596 |
| Next 2,400 | .36557 | .19984 | .56541 | .00139 | .02947 | .30036 | | .89663 |
| Over 3,000 | .18209 | .19984 | .38193 | .00139 | .02947 | .30036 | | .71315 |
| GN-50-Core Natural Gas Service for Motor Vehicles | | | | | | | | |
| Basic Service Charge | \$25.00 | | | | | | | \$25.00 |
| Cost per Therm | \$.10134 | \$.19984 | \$.30118 | \$.00139 | \$.02947 | \$.30036 | | \$.63240 |

Advice Letter No. 1040
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed June 1, 2017
Effective June 1, 2017
Resolution No. _____

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 CPUC PPP | | Gas Cost | Effective Sales Rate |
|---|-----------|-----------------------------------|----------------------------|------------------------------|----------|----------|-------------------------|
| GN-60-Core Internal Combustion Engine Gas Service | | | | | | | |
| Basic Service Charge | \$ 25.00 | | | | | | \$ 25.00 |
| Cost per Therm | \$.28220 | \$.19984 | \$.48204 | \$.00139 | \$.02947 | \$.30036 | \$.81326 |
| GN-66-Core Small Electric Power Generation Gas Service | | | | | | | |
| Basic Service Charge | \$ 25.00 | | | | | | \$ 25.00 |
| Cost per Therm | \$.27613 | \$.19984 | \$.47597 | \$.00139 | | \$.30036 | \$.77772 |
| GN-70-Noncore General Gas Transportation Service | | | | | | | |
| Basic Service Charge | \$ 100.00 | | | | | | \$ 100.00 |
| Transportation Service Charge | \$ 780.00 | | | | | | \$ 780.00 |
| Cost per Therm | \$.16986 | (\$.02764) | \$.14222 | \$.00139 | \$.02947 | | \$.17308 |
| TFF-Transportation Franchise Fee Surcharge Provision | | | | | | | |
| TFF Surcharge per Therm | | | | | | | \$.00370 |
| TDS - Transportation Distribution System Shrinkage Charge | | | | | | | |
| TDS Charge per Therm | | | | | | | \$.00168 |
| 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-12, GN-15, GN-20, GN-25, | GN-35, GN-40, GN-50, GN-60, GN-66 | GN-70 |
|--------------------------------------|--|---|--------------------|
| Upstream Interstate Charges | | | |
| Storage | \$.02249 | | |
| Reservation | .22103 | | |
| IRRAM Surcharge | .00000 | | \$.00000 |
| Balancing Account Adjustments | | | |
| FCAM* | (.04368) | | (.02764) |
| GHGBA** | | | |
| Non-Covered Entities | | | |
| Covered Entities | | | |
| Total Rate Adjustment | \$.19984 | | (\$.02764) |

* 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.

** 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 SOUTH LAKE TAHOE SERVICE AREA [1]

| Schedule No. and Type of Charge | Margin | Charges [2] | | Subtotal Gas Usage Rate | Other Surcharges | | Gas Cost | Effective Sales Rate |
|--|-----------|-----------------|-----------|-------------------------|------------------|-----------|------------|----------------------|
| | | and Adjustments | | | CPUC | PPP | | |
| SLT-10-Residential Gas Service | | | | | | | | |
| Basic Service Charge | \$ 5.00 | | | | | | | \$ 5.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.32198 | \$.26560 | \$.58758 | \$.00139 | \$.02947 | \$.30036 | \$.91880 | |
| Tier II | .40952 | .26560 | .67512 | .00139 | .02947 | .30036 | 1.00634 | |
| SLT-12-CARE Residential Gas Service | | | | | | | | |
| Basic Service Charge | \$ 4.00 | | | | | | | \$ 4.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.14439 | \$.26560 | \$.40999 | \$.00139 | \$.01755 | \$.30036 | \$.72929 | |
| Tier II | .21442 | .26560 | .48002 | .00139 | .01755 | .30036 | .79932 | |
| SLT-15-Secondary Residential Gas Service | | | | | | | | |
| Basic Service Charge | \$ 6.00 | | | | | | | \$ 6.00 |
| Cost per Therm | \$.44620 | \$.26560 | \$.71180 | \$.00139 | \$.02947 | \$.30036 | \$ 1.04302 | |
| SLT-20-Multi-Family Master-Metered Gas Service | | | | | | | | |
| Basic Service Charge | \$ 11.00 | | | | | | | \$ 11.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.32198 | \$.26560 | \$.58758 | \$.00139 | \$.02947 | \$.30036 | \$.91880 | |
| Tier II | .40952 | .26560 | .67512 | .00139 | .02947 | .30036 | 1.00634 | |
| SLT-25-Multi-Family Master-Metered Gas Service-Submetered | | | | | | | | |
| Basic Service Charge | \$ 11.00 | | | | | | | \$ 11.00 |
| Cost per Therm | | | | | | | | |
| Baseline Quantities | \$.32198 | \$.26560 | \$.58758 | \$.00139 | \$.02947 | \$.30036 | \$.91880 | |
| Tier II | .40952 | .26560 | .67512 | .00139 | .02947 | .30036 | 1.00634 | |
| Submetered Discount per Occupied Space | (\$ 7.69) | | | | | | | (\$ 7.69) |
| SLT-35-Agriculture Employee Housing & Nonprofit Group Living Facility Gas Service | | | | | | | | |
| Basic Service Charge | \$ 8.80 | | | | | | | \$ 8.80 |
| Cost per Therm | | | | | | | | |
| First 100 | \$.23394 | \$.26560 | \$.49954 | \$.00139 | \$.01755 | \$.30036 | \$.81884 | |
| Next 500 | .18187 | .26560 | .44747 | .00139 | .01755 | .30036 | .76677 | |
| Next 2,400 | .12980 | .26560 | .39540 | .00139 | .01755 | .30036 | .71470 | |
| Over 3,000 | .03598 | .26560 | .30158 | .00139 | .01755 | .30036 | .62088 | |
| SLT-40-Core General Gas Service | | | | | | | | |
| Basic Service Charge | \$ 11.00 | | | | | | | \$ 11.00 |
| Transportation Service Charge | \$ 780.00 | | | | | | | \$ 780.00 |
| Cost per Therm | | | | | | | | |
| First 100 | \$.43392 | \$.26560 | \$.69952 | \$.00139 | \$.02947 | \$.30036 | \$ 1.03074 | |
| Next 500 | .36883 | .26560 | .63443 | .00139 | .02947 | .30036 | .96565 | |
| Next 2,400 | .30374 | .26560 | .56934 | .00139 | .02947 | .30036 | .90056 | |
| Over 3,000 | .18647 | .26560 | .45207 | .00139 | .02947 | .30036 | .78329 | |
| SLT-50-Core Natural Gas Service for Motor Vehicles | | | | | | | | |
| Basic Service Charge | \$ 11.00 | | | | | | | \$ 11.00 |
| Cost per Therm | \$.20921 | \$.26560 | \$.47481 | \$.00139 | \$.02947 | \$.30036 | \$.80603 | |

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 | \$.23812 | \$.26560 | | \$.50372 | \$.00139 | \$.02947 | \$.30036 | \$.83494 |
| SLT-66-Core Small Electric Power Generation Gas Service | | | | | | | | |
| Basic Service Charge | \$ 11.00 | | | | | | | \$ 11.00 |
| Cost per Therm | \$.23812 | \$.26560 | | \$.50372 | \$.00139 | | \$.30036 | \$.80547 |
| SLT-70-Noncore General Gas Transportation Service | | | | | | | | |
| Basic Service Charge | \$ 100.00 | | | | | | | \$ 100.00 |
| Transportation Service Charge | \$ 780.00 | | | | | | | \$ 780.00 |
| Cost per Therm | \$.17267 | \$.03812 | | \$.21079 | \$.00139 | \$.02947 | | \$.24165 |
| TFF-Transportation Franchise Fee Surcharge Provision | | | | | | | | |
| TFF Surcharge per Therm | | | | | | | | \$.00370 |
| TDS-Transportation Distribution System Shrinkage Charge | | | | | | | | |
| TDS Charge per Therm | | | | | | | | \$.00168 |
| 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 | \$.02249 | | |
| Reservation | .22103 | | |
| IRRAM Surcharge | .00000 | | \$.00000 |
| Balancing Account Adjustment | | | |
| FCAM * | .02208 | | .03812 |
| GHGBA | | | |
| Non-Covered Entities | | | |
| Covered Entities | | | |
| Total Rate Adjustment | \$.26560 | | \$.03812 |

* The FCAM surcharge includes an amount of \$.03812 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).

Schedule No. GCP

GAS PROCUREMENT FOR CORE CUSTOMERS

APPLICABILITY

Applicable to core customers who purchase natural gas from the Company. Service under this schedule will be provided in conjunction with the customer's otherwise applicable sales rate schedule.

TERRITORY

Throughout the Company's certificated California service areas, except as may hereafter be provided.

RATES

The Company shall adjust the Cost of Gas for this schedule monthly to reflect its estimated average gas costs. This revised rate shall become effective between the first and seventh calendar day of each month.

Procurement Charges

Southern California

| | |
|----------------|------------------|
| Cost of Gas | \$.29473 |
| F&U | \$.00480 |
| Total Gas Cost | <u>\$.29953</u> |

R
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Northern California and South Lake Tahoe

| | |
|----------------|------------------|
| Cost of Gas | \$.29604 |
| F&U | \$.00432 |
| Total Gas Cost | <u>\$.30036</u> |

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**SOUTHWEST GAS CORPORATION
CALCULATION OF MONTHLY CORE PROCUREMENT CHARGES
FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Rate per Therm (b) | Line No. |
|---|--|--------------------------|-------------|
| <u>Southern California</u> | | | |
| 1 | Estimated Cost of Gas [1] | \$ 0.29018 | 1 |
| 2 | Monthly Account No. 191 Surcharge [2] | <u>0.00455</u> | 2 |
| 3 | Subtotal | \$ 0.29473 | 3 |
| 4 | Franchise & Uncollectibles @ 1.6299% [3] | <u>0.00480</u> | 4 |
| 5 | Total June Core Procurement Charge per Therm | <u><u>\$ 0.29953</u></u> | 5 |
| <u>Northern California and South Lake Tahoe</u> | | | |
| 6 | Estimated Cost of Gas [4] | \$ 0.28248 | 6 |
| 7 | Monthly Account No. 191 Surcharge [5] | <u>0.01356</u> | 7 |
| 8 | Subtotal | \$ 0.29604 | 8 |
| 9 | Franchise & Uncollectibles @ 1.4589% [3] | <u>0.00432</u> | 9 |
| 10 | Total June Core Procurement Charge per Therm | <u><u>\$ 0.30036</u></u> | 10 |

[1] Schedule I, Sheet 2, Line 17, Column (c), converted to Therm.

[2] Schedule I, Sheet 4.

[3] Order Approving Southwest Gas Application 12-12-024 (D.14-06-028).

[4] Schedule I, Sheet 3, Line 10, Column (c), converted to Therm.

[5] Schedule I, Sheet 5.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Dth (b) | Average Cost Per Dth (c)=(d)/(b) | Amount (d) | Line No. |
|--|---|----------------|--|-------------------|----------|
| <u>City Gate Demand and Storage Injections</u> | | | | | |
| 1 | Total City Gate Demand | 316,399 | | | 1 |
| 2 | Purchases for Storage Injection @ City Gate [1] | 9,499 | | | 2 |
| 3 | Carry-over from Previous Month (Dth) | 0 | | | 3 |
| 4 | Total Demand and Storage Injections | <u>325,898</u> | | | 4 |
| <u>Gas Purchases into Kern River Mainline</u> | | | | | |
| 5 | Term Purchases | 0 | \$ 0.0000 | \$ 0 | 5 |
| 6 | First of Month Purchases [2] | 330,000 | \$ 2.8609 | \$ 944,083 | 6 |
| 7 | Spot Purchases [2] | 0 | \$ 0.0000 | \$ 0 | 7 |
| 8 | In Kind Fuel | (4,102) | \$ 0.0000 | \$ 0 | 8 |
| 9 | Variable Transmission | 325,898 | \$ 0.0049 | \$ 1,597 | 9 |
| 10 | Kern River Opal Basin Total Purchases | | | <u>\$ 945,680</u> | 10 |
| <u>City Gate Gas Purchases</u> | | | | | |
| 11 | Term Purchases | 0 | \$ 0.0000 | \$ 0 | 11 |
| 12 | First of Month Purchases [2] | 0 | \$ 0.0000 | \$ 0 | 12 |
| 13 | Spot Purchases [2] | 0 | \$ 0.0000 | \$ 0 | 13 |
| 14 | Total City Gate Gas Purchases | | | <u>\$ 0</u> | 14 |
| <u>Storage Withdrawals</u> | | | | | |
| 15 | Projected Volume | 0 | \$ 0.0000 | \$ 0 | 15 |
| 16 | Total Average Cost of Gas | | | <u>\$ 0</u> | 16 |
| 17 | Total Cost of Gas at City Gate [3] | <u>325,898</u> | <u>\$ 2.9018</u> | <u>\$ 945,680</u> | 17 |

[1] Does not include gas scheduled directly to storage.

[2] Based on May 16, 2017, first of the month forwards.

[3] Excludes storage and interstate pipeline fixed charges and intrastate transportation.

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Dth (b) | Average Cost Per Dth (c)=(d)/(b) | Amount (d) | Line No. |
|------------------------------------|---|----------------|---|-------------------|-------------|
| 1 | Total City Gate Demand (Net) | 175,215 | | | 1 |
| <u>Gas Purchases into Mainline</u> | | | | | |
| 2 | Projected Purchases Into NWPL [1] | 132,834 | \$ 2.6600 | \$ 353,338 | 2 |
| 3 | Projected Purchases Into Tuscarora [1] | | \$ 0.000 | | 3 |
| 4 | Projected Purchases Into Paiute [1] | 47,657 | \$ 2.8806 | \$ 137,281 | 4 |
| 5 | Total Projected Gas Purchases into Mainline | | | <u>\$ 490,619</u> | 5 |
| <u>Transportation Costs</u> | | | | | |
| 6 | NWPL Volumetric Charge [2] | 131,134 | \$ 0.0313 | \$ 4,104 | 6 |
| 7 | Paiute Volumetric Charge [3] | 175,215 | \$ 0.0013 | \$ 228 | 7 |
| 8 | Tuscarora Volumetric Charge [4] | 0 | \$ 0.0013 | \$ 0 | 8 |
| 9 | Total Transportation Variable Cost | | | <u>\$ 4,332</u> | 9 |
| 10 | Total Cost at the City Gate [5] | <u>175,215</u> | <u>\$ 2.8248</u> | <u>\$ 494,952</u> | 10 |

- [1] Based on May 16, 2017, first of the month forwards.
[2] NWPL less in-kind fuel at 1.28%.
[3] Paiute less in-kind fuel at 2.00%.
[4] Tuscarora less in-kind fuel at 0.10%.
[5] Assumes no volume is dispatched from LNG.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENTS
FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Estimated May Activity (b) | June Surcharge (c) | Line No. |
|-------------|--|-------------------------------------|--------------------------|-------------|
| 1 | Acct. No. 191 Ending Balance for April 2017 | | \$ 484,053 | 1 |
| | Storage Activities | | | |
| 2 | No Storage Activity for March | | 0 | 2 |
| 3 | April Imbalance Traded Out of Storage | | 26,688 | 3 |
| 4 | Adjusted Ending Balance | | <u>\$ 510,741</u> | 4 |
| 5 | April Rate per Therm | \$ 0.03498 | | 5 |
| 6 | May Rate per Therm | 0.01699 | | 6 |
| 7 | Average Rate per Therm | <u>\$ 0.02599</u> | | 7 |
| 8 | Estimated May Sales | 5,092,866 | | 8 |
| 9 | Estimated May Acct. No. 191 Activity (Line 7 x Line 8) | | \$ (132,364) | 9 |
| 10 | Estimated May Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity | | <u>\$ 378,377</u> | 10 |
| 11 | Estimated Twelve Months Sales | | <u>83,073,223</u> | 11 |
| 12 | June Surcharge per Therm (Line 10 / Line 11) | | <u>\$ 0.00455</u> | 12 |

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENT
FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Estimated May Activity (b) | June Surcharge (c) | Line No. |
|----------|--|-------------------------------|--------------------------|----------|
| 1 | Acct. No. 191 Ending Balance for April 2017 | | \$ 736,165 | 1 |
| 2 | April Rate per Therm | \$ 0.03316 | | 2 |
| 3 | May Rate per Therm | 0.02364 | | 3 |
| 4 | Average Rate per Therm | <u>\$ 0.02840</u> | | 4 |
| 5 | Estimated May Sales | 2,977,636 | | 5 |
| 6 | Estimated May Acct. No. 191 Activity (Line 4 x Line 5) | | \$ (84,565) | 6 |
| 7 | Estimated May Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity | | <u>\$ 651,600</u> | 7 |
| 8 | Estimated Twelve Months Sales | | <u>48,035,800</u> | 8 |
| 9 | June Surcharge per Therm (Line 7 / Line 8) | | <u><u>\$ 0.01356</u></u> | 9 |

**SOUTHWEST GAS CORPORATION
 CALCULATION OF TRANSPORTATION FRANCHISE FEE (TFF) SURCHARGE
 FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Rate per Therm (b) | Line No. |
|---|-----------------------------|-----------------------|-------------|
| <u>Southern California</u> | | | |
| 1 | Estimated Cost of Gas [1] | \$ 0.29018 | 1 |
| 2 | Franchise Tax @ 1.1694% [2] | \$ 0.00339 | 2 |
| <u>Northern California and South Lake Tahoe</u> | | | |
| 3 | Estimated Cost of Gas [1] | \$ 0.28248 | 3 |
| 4 | Franchise Tax @ 1.3111% [2] | \$ 0.00370 | 4 |

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Gas Application 12-12-024 (D.14-06-028).

**SOUTHWEST GAS CORPORATION
 CALCULATION OF TDS - TRANSPORTATION DISTRIBUTION SYSTEM SHRINKAGE CHARGE
 FOR THE MONTH OF JUNE 2017**

| Line No. | Description (a) | Rate per Therm (b) | Line No. |
|---|--|-----------------------|-------------|
| <u>Southern California</u> | | | |
| 1 | Total June Core Procurement Charge per Therm [1] | \$ 0.29953 | 1 |
| 2 | Shrinkage Rate @ 0.7600% [2] | \$ 0.00228 | 2 |
| <u>Northern California and South Lake Tahoe</u> | | | |
| 3 | Total June Core Procurement Charge per Therm [1] | \$ 0.30036 | 3 |
| 4 | Shrinkage Rate @ 0.5600% [2] | \$ 0.00168 | 4 |

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Gas Application 12-12-024 (D.14-06-028).