

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 29, 2017

Advice Letter 1044-G

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

SUBJECT: Establishment of Officer Compensation Memorandum Account

Dear Mr. Brown:

Advice Letter 1044-G is effective as of August 27, 2017.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

July 28, 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. 1044

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1044, together with California Gas Tariff Sheet No. 45.11.

Sincerely,


Valerie J. Ontiveroz
Regulatory Manager/California

VJO:cmb
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1044

July 28, 2017

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Original Sheet No. 45.11	Preliminary Statement – (continued)	

Purpose

The purpose of this filing is to modify the Preliminary Statement of Southwest Gas' California Gas Tariff to establish the Officer Compensation Memorandum Account (OCMA) pursuant to Ordering Paragraph (OP) 5, in Decision (D.) 17-06-006.

Background

On June 15, 2017, the Commission approved D.17-06-006, which grants Southwest Gas' petition to modify D.14-06-028, the Company's Test Year 2014 General Rate Case (GRC) decision, and allow Southwest Gas to file its next GRC on September 1, 2019, with a 2021 Test Year. Additionally, D.17-06-006 directs Southwest Gas to establish the OCMA.

OP 5 states:

Within 45 days of the effective date of this decision, Southwest Gas Company (Southwest Gas) shall file a Tier 2 advice letter to establish an Executive Compensation Memorandum Account, and comply with the below directives:

(a) In the Executive Compensation Memorandum Account, Southwest Gas shall track (i) the date and (ii) amount (or cash value) of all monies and other compensations, including but not limited to, annual salaries, bonuses, benefits, and all other consideration of any value, paid or owed to its officers;

(b) Southwest Gas shall follow all requirements of Public Utilities Code Section 706 if it seeks to have ratepayers pay for the "excess compensation" that may have been paid to or owed to an officer in connection with a "triggering event"; and

(c) Southwest Gas shall actively maintain and keep open the Executive Compensation Memorandum Account and its balances to be reviewed in every subsequent general rate case proceeding until a Commission decision closes the account.



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This Advice Letter will not increase any rate or charge, cause the withdrawal of service or conflict with any other schedule or rule.

Effective Date

In accordance with OP 5 in D.17-06-006, this Advice Letter is classified as Tier 2 (Effective After Energy Division Approval) and subject to Energy Division disposition pursuant to General Order (GO) 96-B. Therefore, Southwest Gas respectfully requests this Advice Letter be made effective August 27, 2017, which is thirty (30) calendar days after the date filed.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. The protest must be sent no later than 20 days after the date of this Advice Letter filing and shall be sent by letter via U.S. Mail, facsimile, or electronically mailed. The address for mailing or delivering a protest to the Commission is:

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

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

Mr. Justin Lee Brown
Vice President/Regulation & Public Affairs
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510
Facsimile: 702-364-3452

Notice

Southwest Gas believes it is exempt from the notice requirements set forth in GO 96-B, General Rule 4.2, since the tariff revisions proposed herein are being filed in compliance with D.17-06-006, and do not request higher rates or charges, or more restrictive terms or conditions, than what is currently in effect.

Service

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving this Advice Letter and related tariff sheet to the utilities and interested parties shown on the attached list.



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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. 1044

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
ROrtiz@SempraUtilities.com

San Diego Gas & Electric Company
SDG&ETariffs@SempraUtilities.com

Belinda Gatti
Energy Division
California Public Utilities Commission
belinda.gatti@cpuc.ca.gov

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>1044</u>	
Subject of AL: <u>Establishment of Officer Compensation Memorandum Account.</u>	
Keywords (choose from CPUC listing): <u>Memorandum Account</u>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input type="checkbox"/> One-Time <input checked="" type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.17-06-006	
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>August 27, 2017</u>	No. of tariff sheets: <u>1</u>
Estimated system annual revenue effect (%): <u>Not applicable</u>	
Estimated system average rate effect (%): <u>Not applicable</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>None</u>	
Service affected and changes proposed ¹ : <u>Not applicable</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.

PRELIMINARY STATEMENT
(Continued)

30. OFFICER COMPENSATION MEMORANDUM ACCOUNT (OCMA)

30A. PURPOSE

The purpose of the OCMA is to track California allocable compensation paid or owed to the Company's officers in the event of a triggering event¹. The OCMA is established in accordance with Decision 17-06-006.

30B. TRACKING PROCEDURES

In the event of a triggering event, the Company shall maintain the OCMA by tracking the date and amount of allocable salaries, bonuses, benefits, and all other consideration of any value paid or owed to the Company's officers, as defined below:

Salaries: Payroll data for Officer base salaries.

Bonuses: Variable Pay/Incentive Compensation Plan.

Benefits: Employer portion of health and welfare premiums.

Other Consideration: Officer perquisites in payroll data and/or invoices, deferred compensation Company match.

30C. DISPOSITION

The OCMA balance will be reviewed in the Company's GRC proceeding to determine if any excess compensation² paid and awarded to an officer following a triggering event should be refunded or allowed to be recovered in rates. The OCMA shall remain open and any balance tracked in the account shall be reviewed in every GRC proceeding until a Commission decision closes the account.

¹ "A 'triggering event' occurs if, after January 1, 2013, an electrical corporation or gas corporation violates a federal or state safety regulation with respect to the plant and facility of the utility and, as a proximate cause of that violation, ratepayers incur a financial responsibility in excess of five million dollars (\$5,000,000)." Cal. P. U. Code § 706(a)(2).

² "'Excess compensation' means any annual salary, bonus, benefits, or other consideration of any value, paid to an officer of an electrical corporation or gas corporation that is in excess of one million dollars (\$1,000,000)." Cal. P. U. Code § 706(a)(1).