

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 12, 2017

**Advice Letter 1046-G**

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

**SUBJECT: Update Procurement Charges Applicable to Schedule No. GCP for Core Customers & the Transportation Franchise Fee & Transportation Distribution Shrinkage Surcharges Applicable to Core and NonCore Customers in SWG's CA Service Areas**

Dear Mr. Brown:

Advice Letter 1046-G is effective as of September 1, 2017.

Sincerely,

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

Edward Randolph  
Director, Energy Division



## SOUTHWEST GAS CORPORATION

September 1, 2017

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

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 1046

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1046, together with California Gas Tariff Sheet Nos. 65, 66, 68-71 and 123.

Sincerely,

Valerie J. Ontiveroz  
Regulatory Manager/California

VJO:dm  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 1046

September 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.
93rd Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	92nd Revised Sheet No. 65
94th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	93rd Revised Sheet No. 66
91st Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	90th Revised Sheet No. 68
93rd Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	92nd Revised Sheet No. 69
58th Revised Sheet No. 70	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	57th Revised Sheet No. 70
93rd Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	92nd Revised Sheet No. 71
77th Revised Sheet No. 123	Schedule No. GCP -- Gas Procurement for Core Customers	76th 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 September 2017 cost of gas, including adjustment for franchises and uncollectibles, is \$0.26974 per therm for Southwest Gas' Southern California Service Area and \$0.26265 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TFF Surcharge rate is \$0.00320 per therm for Southwest Gas' Southern California Service Area and \$0.00344 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TDS Charge is \$0.00205 per therm for Southwest Gas' Southern California Service Area and \$0.00147 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 September 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, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
E-mail: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)  
Facsimile: 415-703-2200



**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, faxed or emailed 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  
E-mail: [justin.brown@swgas.com](mailto:justin.brown@swgas.com)

**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](mailto:valerie.ontiveroz@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 

Justin Lee Brown

Attachments

## **Distribution List**

Advice Letter No. 1046

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](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[ROrtiz@SempraUtilities.com](mailto:ROrtiz@SempraUtilities.com)

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

Belinda Gatti  
Energy Division  
California Public Utilities Commission  
[belinda.gatti@cpuc.ca.gov](mailto:belinda.gatti@cpuc.ca.gov)

Robert M. Pocta  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[rmp@cpuc.ca.gov](mailto:rmp@cpuc.ca.gov)

Nathaniel Skinner  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[nws@cpuc.ca.gov](mailto:nws@cpuc.ca.gov)

Pearlie Sabino  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[pzs@cpuc.ca.gov](mailto:pzs@cpuc.ca.gov)

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

<b>MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)</b>	
Company name/CPUC Utility No. <b>Southwest Gas Corporation (U 905 G)</b>	
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: <b>Valerie J. Ontiveroz</b> Phone #: <b>(702) 876-7323</b> E-mail: <b>valerie.ontiveroz@swgas.com</b>
EXPLANATION OF UTILITY TYPE ELC = Electric      GAS = Gas PLC = Pipeline      HEAT = Heat      WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <b>1046</b> Subject of AL: <b><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></b>	
Keywords (choose from CPUC listing): <b><u>Decreased rates in Southern California (SCA) and increased rates in Northern California (NCA) and South Lake Tahoe (SLT).</u></b>	
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 <b><u>Not applicable</u></b>	
Summarize differences between the AL and the prior withdrawn or rejected AL <sup>1</sup> : <b><u>Not applicable</u></b>	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <b><u>September 1, 2017</u></b>	No. of tariff sheets: <b><u>7</u></b>
Estimated system annual revenue effect: (%): <b><u>(0.67%) SCA, 0.27% NCA, and 0.35% SLT</u></b>	
Estimated system average rate effect (%): <b><u>(0.67%) SCA, 0.27% NCA, and 0.35% SLT</u></b>	
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: <b><u>Schedule No. GCP – Gas Procurement for Core Customers</u></b>	
Service affected and changes proposed <sup>1</sup> : <b><u>See 'Subject of AL' above</u></b>	
Pending advice letters that revise the same tariff sheets: <b><u>Not applicable</u></b>	
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:	
<b>CPUC, Energy Division</b> <b>Attention: Tariff Unit</b> <b>505 Van Ness Ave.</b> <b>San Francisco, CA 94102</b> <b>E-mail: edtariffunit@cpuc.ca.gov</b>	<b>Mr. Justin Lee Brown,</b> <b>Vice-President/Regulation &amp; Public Affairs</b> <b>Southwest Gas Corporation</b> <b>P. O. Box 98510</b> <b>Las Vegas, NV 89193-8510</b> <b>E-mail: justin.brown@swgas.com</b> <b>Facsimile: 702-364-3452</b>

<sup>1</sup> 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		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate	
		Adjustments			CPUC	PPP			
<b>GS-10-Residential Gas Service</b>									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Baseline Quantities	\$ .69366	\$ .12657	\$ .82023	\$ .00139	\$ .14256	\$ .26974	\$ 1.23392		R
Tier II	\$ .86493	.12657	.99150	.00139	.14256	.26974	1.40519		R
<b>GS-11-Residential Air-Conditioning Gas Service</b>									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Tier I	\$ .69366	\$ .12657	\$ .82023	\$ .00139	\$ .14256	\$ .26974	\$ 1.23392		R
Tier II	.86493	.12657	.99150	.00139	.14256	.26974	1.40519		R
Air-Conditioning	\$ .34683	.12657	.47340	.00139	.14256	.26974	.88709		R
<b>GS-12-CARE Residential Gas Service</b>									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$ .47567	\$ .12657	\$ .60224	\$ .00139	\$ .01755	\$ .26974	\$ .89092		R
Tier II	.61268	.12657	.73925	.00139	.01755	.26974	\$ 1.02793		R
<b>GS-15-Secondary Residential Gas Service</b>									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$ 1.06499	\$ .12657	\$ 1.19156	\$ .00139	\$ .14256	\$ .26974	\$ 1.60525		R
<b>GS-20-Multi-Family Master-Metered Gas Service</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm									
Baseline Quantities	\$ .69366	\$ .12657	\$ .82023	\$ .00139	\$ .14256	\$ .26974	\$ 1.23392		R
Tier II	.86493	.12657	.99150	.00139	.14256	.26974	1.40519		R
<b>GS-25 -Multi-Family Master-Metered Gas Service-Submetered</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm									
Baseline Quantities	\$ .69366	\$ .12657	\$ .82023	\$ .00139	\$ .14256	\$ .26974	\$ 1.23392		R
Tier II	.86493	.12657	.99150	.00139	.14256	.26974	1.40519		R
Submetered Discount per Occupied Space	(\$7.69)						(\$7.69)		
<b>GS-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>									
Basic Service Charge	\$ 8.80							\$ 8.80	
Cost per Therm									
First 100	\$ .41584	\$ .12657	\$ .54241	\$ .00139	\$ .01755	\$ .26974	\$ .83109		R
Next 500	.28567	.12657	.41224	.00139	.01755	.26974	.70092		R
Next 2,400	.18153	.12657	.30810	.00139	.01755	.26974	.59678		R
Over 3,000	.06163	.12657	.18820	.00139	.01755	.26974	.47688		R
<b>GS-40-Core General Gas Service</b>									
Basic Service Charge	\$11.00							\$11.00	
Transportation Service Charge	\$780.00							\$780.00	
Cost per Therm									
First 100	\$ .61888	\$ .12657	\$ .74545	\$ .00139	\$ .14256	\$ .26974	\$ 1.15914		R
Next 500	.45617	.12657	.58274	.00139	.14256	.26974	.99643		R
Next 2,400	.32599	.12657	.45256	.00139	.14256	.26974	.86625		R
Over 3,000	.17612	.12657	.30269	.00139	.14256	.26974	.71638		R

Advice Letter No. 1046  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed September 1, 2017  
Effective September 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		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate	
		Adjustments			CPUC	PPP			
<b>GS-50-Core Natural Gas Service for Motor Vehicles</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$ .12183	\$ .12657	\$ .24840	\$ .00139	\$ .14256	\$ .26974	\$ .66209		R
<b>GS-60-Core Internal Combustion Engine Gas Service</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$ .18132	\$ .12657	\$ .30789	\$ .00139	\$ .14256	\$ .26974	\$ .72158		R
<b>GS-LUZ-Solar Electric Generation Gas Service</b>									
Basic Service Charge	\$50.00							\$50.00	
Cost per Therm	\$ .05217	\$ .00133	\$ .05350	\$ .00139			\$ .05489		
<b>GS-66-Core Small Electric Power Generation Gas Service</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$ .26205	\$ .12657	\$ .38862	\$ .00139		\$ .26974	\$ .65975		R
<b>GS-70-Noncore General Gas Transportation Service</b>									
Basic Service Charge	\$100.00							\$100.00	
Transportation Service Charge	\$780.00							\$780.00	
Cost per Therm	\$ .13261	\$ .03661	\$ .16922	\$ .00139	\$ .14256		\$ .31317		
<b>GS-VIC City of Victorville Gas Service</b>									
Basic Service Charge	\$11.00							\$11.00	
Transportation Service Charge	\$780.00							\$780.00	
Cost per Therm	\$ .37077	\$ .12657	\$ .49734	\$ .00139		\$ .26974	\$ .76847		R
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>									
TFF Surcharge per Therm							\$ .00320		R
<b>TDS - Transportation Distribution System Shrinkage Charge</b>									
TDS Charge per Therm							\$ .00205		R
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>									
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 CPUC	PPP	Gas Cost	Effective Sales Rate
<b>GN-10-Residential Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm							
Baseline Quantities	\$ .73294	\$ .19984	\$ .93278	\$ .00139	\$ .02947	\$ .26265	\$ 1.22629
Tier II	.84375	.19984	1.04359	.00139	.02947	.26265	1.33710
<b>GN-12-CARE Residential Gas Service</b>							
Basic Service Charge	\$ 4.00						\$ 4.00
Cost per Therm							
Baseline Quantities	\$ .49385	\$ .19984	\$ .69369	\$ .00139	\$ .01755	\$ .26265	\$ .97528
Tier II	.58250	.19984	.78234	.00139	.01755	.26265	1.06393
<b>GN-15-Secondary Residential Gas Service</b>							
Basic Service Charge	\$ 6.00						\$ 6.00
Cost per Therm	\$ .88171	\$ .19984	\$ 1.08155	\$ .00139	\$ .02947	\$ .26265	\$ 1.37506
<b>GN-20-Multi-Family Master-Metered Gas Service</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm							
Baseline Quantities	\$ .73294	\$ .19984	\$ .93278	\$ .00139	\$ .02947	\$ .26265	\$ 1.22629
Tier II	.84375	.19984	1.04359	.00139	.02947	.26265	1.33710
<b>GN-25-Multi-Family Master-Metered Gas Service-Submetered</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm							
Baseline Quantities	\$ .73294	\$ .19984	\$ .93278	\$ .00139	\$ .02947	\$ .26265	\$ 1.22629
Tier II	.84375	.19984	1.04359	.00139	.02947	.26265	1.33710
Submetered Discount per Occupied Space	(\$11.01)						(\$11.01)
<b>GN-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>							
Basic Service Charge	\$ 8.80						\$ 8.80
Cost per Therm							
First 100	\$ .39349	\$ .19984	\$ .59333	\$ .00139	\$ .01755	\$ .26265	\$ .87492
Next 500	.29542	.19984	.49526	.00139	.01755	.26265	.77685
Next 2,400	.19996	.19984	.39980	.00139	.01755	.26265	.68139
Over 3,000	.05317	.19984	.25301	.00139	.01755	.26265	.53460
<b>GN-40-Core General Gas Service</b>							
Basic Service Charge	\$11.00						\$11.00
Transportation Service Charge	\$780.00						\$780.00
Cost per Therm							
First 100	\$ .60748	\$ .19984	\$ .80732	\$ .00139	\$ .02947	\$ .26265	\$ 1.10083
Next 500	.48490	.19984	.68474	.00139	.02947	.26265	.97825
Next 2,400	.36557	.19984	.56541	.00139	.02947	.26265	.85892
Over 3,000	.18209	.19984	.38193	.00139	.02947	.26265	.67544
<b>GN-50-Core Natural Gas Service for Motor Vehicles</b>							
Basic Service Charge	\$25.00						\$25.00
Cost per Therm	\$ .10134	\$ .19984	\$ .30118	\$ .00139	\$ .02947	\$ .26265	\$ .59469

**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		
<b>GN-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$ .28220	\$ .19984		\$ .48204	\$ .00139	\$ .02947	\$ .26265	\$ .77555
<b>GN-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$ .27613	\$ .19984		\$ .47597	\$ .00139		\$ .26265	\$ .74001
<b>GN-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$ .16986	(\$ .02764)		\$ .14222	\$ .00139	\$ .02947		\$ .17308
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm								\$ .00344
<b>TDS - Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm								\$ .00147
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
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			
<b>Total Rate Adjustment</b>	<b>\$ .19984</b>	<b>(\$ .02764)</b>	

\* 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		
<b>SLT-10-Residential Gas Service</b>								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$ .32198	\$ .26560	\$ .58758	\$ .00139	\$ .02947	\$ .26265	\$ .88109	
Tier II	.40952	.26560	.67512	.00139	.02947	.26265	.96863	
<b>SLT-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$ .15193	\$ .26560	\$ .41753	\$ .00139	\$ .01755	\$ .26265	\$ .69912	
Tier II	.22197	.26560	.48757	.00139	.01755	.26265	.76916	
<b>SLT-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ .44620	\$ .26560	\$ .71180	\$ .00139	\$ .02947	\$ .26265	\$ 1.00531	
<b>SLT-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$ .32198	\$ .26560	\$ .58758	\$ .00139	\$ .02947	\$ .26265	\$ .88109	
Tier II	.40952	.26560	.67512	.00139	.02947	.26265	.96863	
<b>SLT-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$ .32198	\$ .26560	\$ .58758	\$ .00139	\$ .02947	\$ .26265	\$ .88109	
Tier II	.40952	.26560	.67512	.00139	.02947	.26265	.96863	
Submetered Discount per Occupied Space	(\$7.69)							(\$ 7.69)
<b>SLT-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80							\$ 8.80
Cost per Therm								
First 100	\$ .24149	\$ .26560	\$ .50709	\$ .00139	\$ .01755	\$ .26265	\$ .78868	
Next 500	.18941	.26560	.45501	.00139	.01755	.26265	.73660	
Next 2,400	.13734	.26560	.40294	.00139	.01755	.26265	.68453	
Over 3,000	.04353	.26560	.30913	.00139	.01755	.26265	.59072	
<b>SLT-40-Core General Gas Service</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$ .43392	\$ .26560	\$ .69952	\$ .00139	\$ .02947	\$ .26265	\$ .99303	
Next 500	.36883	.26560	.63443	.00139	.02947	.26265	.92794	
Next 2,400	.30374	.26560	.56934	.00139	.02947	.26265	.86285	
Over 3,000	.18647	.26560	.45207	.00139	.02947	.26265	.74558	
<b>SLT-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$ .20921	\$ .26560	\$ .47481	\$ .00139	\$ .02947	\$ .26265	\$ .76832	

**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		
<b>SLT-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$ .23812	\$ .26560		\$ .50372	\$ .00139	\$ .02947	\$ .26265	\$ .79723
<b>SLT-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$ .23812	\$ .26560		\$ .50372	\$ .00139		\$ .26265	\$ .76776
<b>SLT-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$ .17267	\$ .03812		\$ .21079	\$ .00139	\$ .02947		\$ .24165
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm								\$ .00344
<b>TDS-Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm								\$ .00147
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
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			
<b>Total Rate Adjustment</b>	<b>\$ .26560</b>		<b>\$ .03812</b>

\* 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).

Advice Letter No. 1046  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed September 1, 2017  
Effective September 1, 2017  
Resolution No. \_\_\_\_\_

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	\$ .26541
F&U	\$ .00433
Total Gas Cost	<u>\$ .26974</u>

Northern California and South Lake Tahoe

Cost of Gas	\$ .25887
F&U	\$ .00378
Total Gas Cost	<u>\$ .26265</u>

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

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.27353	1
2	Monthly Account No. 191 Surcharge [2]	<u>(0.00812)</u>	2
3	Subtotal	\$ 0.26541	3
4	Franchise & Uncollectibles @ 1.6299% [3]	<u>0.00433</u>	4
5	Total September Core Procurement Charge per Therm	<u>\$ 0.26974</u>	5
<u>Northern California and South Lake Tahoe</u>			
6	Estimated Cost of Gas [4]	\$ 0.26256	6
7	Monthly Account No. 191 Surcharge [5]	<u>(0.00369)</u>	7
8	Subtotal	\$ 0.25887	8
9	Franchise & Uncollectibles @ 1.4589% [3]	<u>0.00378</u>	9
10	Total September Core Procurement Charge per Therm	<u>\$ 0.26265</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 SEPTEMBER 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	311,556			1
2	Purchases for Storage Injection @ City Gate [1]	0			2
3	Carry-over from Previous Month (Dth)	0			3
4	Total Demand and Storage Injections	<u>311,556</u>			4
<u>Gas Purchases into Kern River Mainline</u>					
5	Term Purchases	0	\$ 0.0000	\$ 0	5
6	First of Month Purchases [2]	285,000	\$ 2.6869	\$ 765,754	6
7	Spot Purchases [2]	31,750	\$ 2.6769	\$ 84,991	7
8	In Kind Fuel	(5,195)	\$ 0.0000	\$ 0	8
9	Variable Transmission	311,556	\$ 0.0047	\$ 1,464	9
10	Kern River Opal Basin Total Purchases			<u>\$ 852,210</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>311,556</u>	<u>\$ 2.7353</u>	<u>\$ 852,210</u>	17

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

[2] Based on August 21, 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 SEPTEMBER 2017**

Line No.	Description (a)	Dth (b)	Average Cost Per Dth (c)=(d)/(b)	Amount (d)	Line No.
1	Total City Gate Demand (Net)	163,071			1
	<u>Gas Purchases into Mainline</u>				
2	Projected Purchases Into NWPL [1]	166,036	\$ 2.5197	\$ 418,360	2
3	Projected Purchases Into Tuscarora [1]		\$ 0.000		3
4	Projected Purchases Into Paiute [1]	1,643	\$ 2.7120	\$ 4,456	4
5	Total Projected Gas Purchases into Mainline			<u>\$ 422,816</u>	5
	<u>Transportation Costs</u>				
6	NWPL Volumetric Charge [2]	163,911	\$ 0.0313	\$ 5,130	6
7	Paiute Volumetric Charge [3]	163,071	\$ 0.0013	\$ 212	7
8	Tuscarora Volumetric Charge [4]	0	\$ 0.0013	\$ 0	8
9	Total Transportation Variable Cost			<u>\$ 5,342</u>	9
10	Total Cost at the City Gate [5]	<u>163,071</u>	<u>\$ 2.6256</u>	<u>\$ 428,159</u>	10

[1] Based on August 21, 2017, first of the month forwards.

[2] NWPL less in-kind fuel at 1.28%.

[3] Paiute less in-kind fuel at 1.50%.

[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 SEPTEMBER 2017**

Line No.	Description (a)	Estimated August Activity (b)	September Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for July 2017		\$ (694,193)	1
	Storage Activities			
2	No Storage Activity for June		0	2
3	July Imbalance Traded Out of Storage		5,506	3
4	Adjusted Ending Balance		<u>\$ (688,687)</u>	4
5	July Rate per Therm	\$ (0.00515)		5
6	August Rate per Therm	<u>(0.00623)</u>		6
7	Average Rate per Therm	<u>\$ (0.00569)</u>		7
8	Estimated August Sales	3,024,738		8
9	Estimated August Acct. No. 191 Activity (Line 7 x Line 8)		\$ 17,211	9
10	Estimated August Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ (671,476)</u>	10
11	Estimated Twelve Months Sales		<u>82,714,174</u>	11
12	September Surcharge per Therm (Line 10 / Line 11)		<u>\$ (0.00812)</u>	12

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

Line No.	Description (a)	Estimated August Activity (b)	September Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for July 2017		\$ (173,732)	1
2	July Rate per Therm	\$ 0.00789		2
3	August Rate per Therm	0.00122		3
4	Average Rate per Therm	<u>\$ 0.00456</u>		4
5	Estimated August Sales	1,272,171		5
6	Estimated August Acct. No. 191 Activity (Line 4 x Line 5)		\$ (5,801)	6
7	Estimated August Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ (179,533)</u>	7
8	Estimated Twelve Months Sales		<u>48,672,006</u>	8
9	September Surcharge per Therm (Line 7 / Line 8)		<u>\$ (0.00369)</u>	9

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

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.27353	1
2	Franchise Tax @ 1.1694% [2]	\$ 0.00320	2
<u>Northern California and South Lake Tahoe</u>			
3	Estimated Cost of Gas [1]	\$ 0.26256	3
4	Franchise Tax @ 1.3111% [2]	\$ 0.00344	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 SEPTEMBER 2017**

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Total September Core Procurement Charge per Therm [1]	\$ 0.26974	1
2	Shrinkage Rate @ 0.7600% [2]	\$ 0.00205	2
<u>Northern California and South Lake Tahoe</u>			
3	Total September Core Procurement Charge per Therm [1]	\$ 0.26265	3
4	Shrinkage Rate @ 0.5600% [2]	\$ 0.00147	4

[1] Schedule I, Sheet 1.

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