

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 9, 2017

Advice Letter 1047

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

**Subject: Modify Rule No. 21 – Transportation of Customer-Secured
Natural Gas Regarding Imbalance Trading**

Dear Mr. Brown:

Advice Letter 1047 is effective as of October 5, 2017.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

September 5, 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. 1047

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1047, together with California Gas Tariff Sheet Nos. 254 and 255.

Sincerely,


Valerie J. Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1047

September 5, 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.
3rd Revised Sheet No. 254	Rule No. 21 – Transportation of Customer-Secured Natural Gas	2nd Revised Sheet No. 254
3rd Revised Sheet No. 255	Rule No. 21 – Transportation of Customer-Secured Natural Gas	2nd Revised Sheet No. 255

Purpose

The purpose of this filing is to modify Rule No 21 – *Transportation of Customer-Secured Natural Gas* of Southwest Gas’ California Gas Tariff regarding imbalance trading.

Background

Southwest Gas’ Rule No. 21 describes the general terms and conditions that apply whenever the Company transports customer-secured gas through its natural gas distribution system, including trading of natural gas imbalance quantities subject to various trading conditions. Pursuant to Section D in Rule No. 21:

[A] customer may elect to offset an imbalance by identifying and reaching an agreement with one or more transportation customers in the Company’s Southern California service area that have established imbalances in an opposite direction. Alternatively, customers may also identify and reach agreement with transportation customers served directly by Southern California Gas Company, subject to authorization by the Company. Core customers, including customers aggregating core loads, may also offset imbalances with available storage account quantities held by that customer or group of customers for the Company’s Southern California service area, if sufficient. Customers that agree to trade imbalances will be subject to the following conditions:

Additionally, Section D.5 in Rule No. 21 currently states:

The customer is solely responsible for contacting other transportation customers of the Company or of Southern California Gas Company to explore opportunities for trading imbalances. The customer is also solely responsible for any financial arrangements between trading partners occurring as a result of the completion of an imbalance trade.



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Background *(continued)*

Imbalance trading provides an opportunity for transportation customers to remediate or fully resolve any imbalance positions that may have been created through their respective scheduling and imbalance management activities. Moreover, the imbalance trading process should neither advantage or disadvantage the Company's other customers. Simply put, Southwest Gas' other customers should not bear any costs related to the scheduling and/or imbalance trading activities of the Company's transportation customers. The proposed language clarifies and ensures that charges and credits related to transportation customers' imbalance trading activities are appropriately passed through to transportation customers who elect to participate in an imbalance trade arrangement.

This filing also includes tariff revisions that clarify the availability of imbalance trading to all transportation customers within each of the Company's service areas. The revisions proposed herein do not affect the Imbalance Trading Request tariff forms for either Southern California or Northern California/South Lake Tahoe, Form Nos. 880.0SCA and 880.0NCA, respectively.

Effective Date

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2, effective after Energy Division Approval, pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests this Advice Letter be approved October 5, 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



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Notice

Southwest Gas is providing a concurrent notice of availability of this Advice Letter filing to its California transportation customers by electronic mail.

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.

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. 1047

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: Valerie J. Ontiveroz Phone #: (702) 876-7323 E-mail: valerie.ontiveroz@swgas.com
EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: 1047	
Subject of AL: Modify Rule No. 21 – Transportation of Customer-Secured Natural Gas regarding imbalance trading.	
Keywords (choose from CPUC listing): Imbalance Trades	
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 #:	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL Not applicable	
Summarize differences between the AL and the prior withdrawn or rejected AL ¹ : Not applicable	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: October 5, 2017	No. of tariff sheets: 2
Estimated system annual revenue effect (%): Not applicable	
Estimated system average rate effect (%): Not applicable	
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: None	
Service affected and changes proposed ¹ : Not applicable	
Pending advice letters that revise the same tariff sheets: Not applicable	
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.

RULE NO. 21

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

C. QUANTITIES OF GAS (Continued)

6. Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the customer's right, subject to the Company's approval, to vary receipts and deliveries within specified limits. Deliveries shall be those volumes which have passed the point(s) of delivery as determined by the Company's meter. Except for core customers aggregating load, any Cumulative Imbalance shall be carried forward to the next calendar month and shall be considered first through the meter during the next calendar month. Cumulative imbalances for core customers aggregating load shall be carried forward to the second following calendar month and shall be considered first through the meter during the second following calendar month.
7. The customer may elect to offset any imbalance against: (1) imbalances created by other customers of the Company; (2) in the case of core customers, the customer's or core aggregator's available storage account capacity or inventory for the Company's Southern California service area, if sufficient; or (3) imbalances created by customers served directly by Southern California Gas Company for customers in the Company's Southern California service area. Such offsets must be accomplished prior to the end of the authorized trading period. All trading of imbalances shall be conducted in accordance with Sections D and E of this rule.

D. TRADING OF IMBALANCE QUANTITIES

The customer may elect to offset an imbalance by identifying and reaching an agreement with one or more transportation customers in the Company's Southern California, Northern California, or South Lake Tahoe service areas, as applicable, that have established imbalances in an opposite direction. Customers may not trade imbalances between the Company's Southern California and Northern California/South Lake Tahoe service areas. Alternatively, customers in the Company's Southern California service area may also identify and reach agreement with transportation customers served directly by Southern California Gas Company, subject to authorization by the Company. Core customers, including customers aggregating core loads, may also offset imbalances with available storage account quantities held by that customer or group of customers for the Company's Southern California service area, if sufficient. Customers that agree to trade imbalances will be subject to the following conditions:

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RULE NO. 21

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

D. TRADING OF IMBALANCE QUANTITIES (Continued)

1. Customers will be entitled to trade their entire Cumulative Imbalance for a given month.
2. Trading of imbalance quantities by customers may begin at 7:00 a.m. Pacific Clock Time on the 25th calendar day in the month of notification and must be completed by 3:00 p.m. Pacific Clock Time of the 30th day of the month in which the customer's imbalance statement is rendered. During the month of February, the trading period begins at 7:00 a.m. Pacific Clock Time on the 23rd calendar day of the month and ends at 3:00 p.m. Pacific Clock Time on the 28th calendar day of the month. If the end of the trading period falls on a weekend or holiday, the prior business day shall be the last day for trading to occur.
3. Trading of imbalance quantities may reduce a customer's imbalance toward, but not beyond, a zero imbalance level. A customer may not trade to establish an imbalance in the opposite direction of the customer's original imbalance.
4. Cumulative Imbalances for customers with multiple meters will be determined by aggregating all meters included under a particular transportation service agreement. Customers with multiple meters will not be allowed to trade imbalances based on individual meters or sales accounts.
5. The customer is solely responsible for contacting other transportation customers of the Company or of Southern California Gas Company, as applicable, to explore opportunities for trading imbalances. The customer is also solely responsible for any financial arrangements between trading partners occurring as a result of the completion of an imbalance trade. The Company assesses its transportation volume charges based on the transportation billing quantities, adjusted for any volumes traded pursuant to this section.
6. Customers wishing to execute a trade of imbalance quantities must submit an Imbalance Trading (Form No. 880.0SCA for Southern California service area customers or Form No. 880.00NCA for Northern California and South Lake Tahoe service area customers) to the Company by the imbalance trading deadline. Such form shall be directed to a location and via a method specified by the Company. The Company will review, and approve as appropriate, all imbalance trading requests submitted by customers. Customers whose trade requests are approved will be sent revised transportation billing worksheets and invoices. The Company will not be responsible for, or involved with, the transfer of gas supply between customers or any related compensatory transactions between customers.

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