

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 17, 2017

Advice Letter 1051

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

**Subject: Request for Authorization to Make Accounting Entries to
Reflect Shared Savings Associated with SWG's GCIM**

Dear Mr. Brown:

Advice Letter 1051 is effective as of October 13, 2017.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

September 13, 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. 1051

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1051. There are no tariff sheets associated with this filing.

Sincerely,


Valerie J. Ontiveroz
Regulatory Manager/California

VJO
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1051

September 13, 2017

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas or Company) (U 905 G) tenders herewith for filing Advice Letter No. 1051. There are no tariff sheets associated with this filing.

Purpose

The purpose of this filing is to request authorization to make an accounting entry to reflect shared savings associated with Southwest Gas' Gas Cost Incentive Mechanism (GCIM) for the reporting period November 1, 2015 through October 31, 2016 (2015-2016 GCIM Report). This filing is being made in accordance with the Preliminary Statement (PS) 171 of the Company's Gas Tariff.

Background

In May 2005, the Commission approved Southwest Gas' GCIM¹ as an objective standard by which to measure the Company's natural gas procurement performance, provide an incentive to lower overall gas costs, and provide a mechanism for sharing the achieved benefits between Southwest Gas and its customers. The annual GCIM period begins each November 1 and concludes the following October 31. The GCIM is calculated separately for the Company's California service territories. On January 26, 2017, Southwest Gas submitted its 2015-2016 GCIM Report, which reported no shared savings or costs for the Company's Northern California service territory. However, for Southwest Gas' Southern California service territory, shared savings were experienced amounting to \$178,742. In accordance with PS 17, these savings are to be shared amongst the Company's customers and shareholders as follows: 75 percent, or \$134,057, is to be allocated to Southwest Gas' customers and 25 percent, or \$44,686, is to be allocated to the Company's shareholders.

On July 28, 2017, the Office of Ratepayer Advocates (ORA) issued their Monitoring and Evaluation Report regarding Southwest Gas' 2015-2016 GCIM Report. In its report, ORA affirmed Southwest Gas' reported shared savings for the GCIM period ending October 2016. Therefore, Southwest Gas requests authority to make an accounting entry for the shareholder portion of the savings.

¹ Application of Southwest Gas Corporation for Approval of a Gas Cost Incentive Mechanism (Application 04-11-009, was approved by the Commission in Decision 05-05-033.



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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 13, 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, faxed or electronically mailed to:

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

Notice

Southwest Gas believes it is exempt from the notice requirements set forth in General Rule 4.2 of GO 96-B, since this Advice Letter is being filed in accordance with Southwest Gas approved PS 171 tariff.

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

Attachment

Distribution List

Advice Letter No. 1051

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>1051</u>	
Subject of AL: <u>Request for authorization to make accounting entries to reflect shared savings associated with Southwest Gas' GCIM.</u>	
Keywords (choose from CPUC listing): <u>GCIM</u>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" 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>October 13, 2017</u>	No. of tariff sheets: <u>0</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 ² : <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

² Discuss in AL if more space is needed.