

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

**Advice Letter: 1054**

December 28, 2017

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

SUBJECT: 2018 Natural Gas Public Purpose Program Surcharges

Dear Mr. Brown:

Advice Letter 1054 is approved as of December 28, 2017, for rates effective January 1, 2018. Pursuant to recommendations by the California State Auditor, Energy Division staff is currently conducting in-depth reviews of utility gas balancing accounts. Balances in all accounts authorized for recovery are subject to audit, verification and adjustment.

Sincerely,

Handwritten signature of Edward Randolph in black ink, followed by the word "FOR" in a simple, sans-serif font.

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

October 31, 2017

ATTN: Tariff Unit, Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 1054

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1054, together with California Gas Tariff Sheet No. 121.

Sincerely,

Valerie J. Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1054

October 31, 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.
10th Revised Sheet No. 121	Schedule No. G-PPPS – Surcharge to Fund Public Purpose Programs (PPP)	9th Revised Sheet No. 121

Purpose

The purpose of this filing is to adjust Southwest Gas' Public Purpose Program (PPP) Surcharge rates in compliance with Ordering Paragraph (OP) 22 Decision (D.) 04-08-010 for its California Alternative Rates for Energy (CARE) and Energy Savings Assistance (ESA) programs. The PPP surcharge rates set forth herein are calculated pursuant to OPs 3 and 4 in D.14-11-005.

On November 14, 2014, the Commission issued D.14-11-005, authorizing Southwest Gas to continue month-to-month bridge funding levels approved in D.14-05-004, until a final decision is issued in Application 15-02-001, et al.¹ OP 4 in D.14-11-005 directs Southwest Gas to calculate its proposed PPP surcharges utilizing the CARE and ESA authorized funding levels. The volumes used in the calculations reflect a three-year average (36 consecutive months ending, September 2016), as set forth in D.04-08-010. The calculations of Southwest Gas' proposed 2018 PPP surcharges are shown in the attached Appendix A.

Effective Date

Southwest Gas believes this Advice Letter (AL) 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 AL be approved December 1, 2017, which is thirty (30) calendar days after the date filed, with the proposed rate changes effective January 1, 2018.

¹ A.15-02-001, et al., Application of Southwest Gas Corporation (U 905 G) for Approval of Low-Income Programs and Budgets for Program Years 2015-2017.



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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:

Energy Division
California Public Utilities Commission
Attention: Investigation, Monitoring & Compliance Program Manager
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Email: 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 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
Email: justin.brown@swgas.com

Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since the annual PPP Surcharges adjustments proposed herein are being filed in compliance with D.04-08-010.

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.



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Service (continued)

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
Email: valerie.ontiveroz@swgas.com

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:

A handwritten signature in blue ink, appearing to read "Justin Lee Brown", written over a horizontal line.

Justin Lee Brown

Attachments

Distribution List

Advice Letter No. 1054

In conformance with General Order 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 905G)	
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) #: 1054	
Subject of AL: Update Southwest Gas' Public Purpose Program (PPP) Surcharges.	
Keywords (choose from CPUC listing): Compliance Filing AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" 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 #: D.04-08-010	
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: January 1, 2018 No. of tariff sheets: 1 Estimated system annual revenue effect: (%): -2.2% SCA, -0.08% NCA, and -0.11% SLT Estimated system average rate effect (%): -2.2% SCA, -0.08% NCA, and -0.11% SLT 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: Schedule No. G-PPPS – Surcharge to Fund Public Purpose Programs (PPP) Service affected and changes proposed ² : See 'Subject of AL' above 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	Utility Info (including e-mail) 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.

Schedule No. G-PPPS

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPP)

APPLICABILITY

Applicable to all gas sales and transportation service excluding service for: electric generation including cogeneration, enhanced oil recovery, wholesale for resale to end users, natural gas produced in California and transported on a proprietary pipeline, and the consumption of natural gas which California is prohibited for taxing under the United States Constitution or the California Constitution.

TERRITORY

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

RATES

Customer Class	PPP SURCHARGE AMOUNT PER THERM			
	Non-CARE Customers		CARE Customers	
	Southern CA	Northern CA/ South Lake Tahoe	Southern CA	Northern CA/ South Lake Tahoe
Core *				
Residential	\$ 0.11505	\$ 0.02841	\$ 0.01587	\$ 0.01587
Commercial/Industrial	\$ 0.11505	\$ 0.02841	\$ 0.01587	\$ 0.01587
Gas Engine	\$ 0.11505	\$ 0.02841	N/A	N/A
Natural Gas Vehicle	\$ 0.11505	\$ 0.02841	N/A	N/A
Non-Core **				
Commercial/Industrial	\$ 0.11505	\$ 0.02841	N/A	N/A

* Residential service includes Rate Schedule Nos. GS/GN/SLT-10, -12, -15, -20, and -25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN/SLT-35, -40, and -60. Natural Gas Vehicle service includes Rate Schedule No. GS-50/GN-50/SLT-50.

** Commercial/Industrial service includes Rate Schedule No. GS-70/GN-70/SLT-70.

The PPP surcharges are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference.

The number of therms shall be determined in accordance with the provisions of Rule No. 2C of this California Gas Tariff.

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Appendix A

**SOUTHWEST GAS CORPORATION
 CALIFORNIA JURISDICTIONS
 PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
 TO BE EFFECTIVE JANUARY 1, 2018**

Line No.	Description (a)	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>Non-CARE PPP Surcharges</u>					
1	CARE Component	\$ 0.13718	\$ 0.01317		1
2	CARE Balancing Account Component	\$(0.03809)	\$(0.00072)		2
3	BOE PPP Administrative Surcharge	\$ 0.00009	\$ 0.00009		3
4	CPUC PPP Administrative Charges	\$ 0.00000	\$ 0.00000		4
5	Total Non-CARE PPP Surcharges	<u>\$ 0.09918</u>	<u>\$ 0.01254</u>		5
<u>CARE PPP Surcharges</u>					
6	ESA Component			\$ 0.02073	6
7	R & D Component			\$ 0.00178	7
8	CEE Component [1]			\$ (0.00664)	8
9	Total CARE PPP Surcharges			<u>\$ 0.01587</u>	9
<u>Total PPP Surcharges</u>					
10	CARE Customer Rate per Therm [2]	<u>\$ 0.01587</u>	<u>\$ 0.01587</u>		10
11	Non-CARE Customer Rate per Therm [3]	<u>\$ 0.11505</u>	<u>\$ 0.02841</u>		11

[1] CEE Approved in D.14-06-028.

[2] Sum of CARE PPP Surcharges

[3] Sum of CARE plus Non-CARE PPP Components.

**SOUTHWEST GAS CORPORATION
 CALIFORNIA JURISDICTIONS
 CALCULATION OF PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
 CALIFORNIA ALTERNATIVE RATE FOR ENERGY (CARE), ENERGY SAVINGS ASSISTANCE (ESA), CONSERVATION
 AND ENERGY EFFICIENCY (CEE), AND RESEARCH AND DEVELOPMENT (R&D)
 TO BE EFFECTIVE JANUARY 1, 2018**

Line No.	Description (a)	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>CARE PPP Components</u>					
1	CARE Program Revenue Requirement [1]	\$ 8,494,865	\$ 578,759	\$ 9,073,624	1
2	CARE Program Balancing Account [2]	<u>\$(2,358,746)</u>	<u>\$ (31,547)</u>	<u>\$(2,390,293)</u>	2
3	2018 Adjusted CARE budget	<u>\$ 6,136,119</u>	<u>\$ 547,212</u>	<u>\$ 6,683,331</u>	3
4	CARE Applicable Volume (Therms) [3]	61,924,394	43,935,626	105,860,020	4
5	CARE Balancing Account Rate Per Therm (Ln.2/Ln.4)	\$ (0.03809)	\$ (0.00072)		5
6	CARE Program Rate per Therm (Ln.1/Ln.4)	\$ 0.13718	\$ 0.01317		6
7	BOE Administrative Revenue Requirement [4]			<u>\$ 9,000</u>	7
8	BOE Rate per Therm [3] (Ln.6/Ln.4)			<u>\$ 0.00009</u>	8
9	CPUC Administrative Revenue Requirement [4]			<u>\$ 0.00000</u>	9
10	CPUC Administrative Rate per Therm (Ln.9/Ln.4)			<u>\$ 0.00000</u>	10
11	CARE PPP Rate per Therm (Lns.5+6+8+10)	<u>\$ 0.09918</u>	<u>\$ 0.01254</u>		11
<u>ESA PPP Components</u>					
12	ESA Revenue Requirement [1]			\$ 3,172,692	12
13	ESA Carry-over budget from 2016/2017			<u>\$ 423,996</u>	13
14	2016 ESA Budget including carry-over from 2016/2017			<u>\$ 3,596,688</u>	14
15	ESA Balancing Account [2]			<u>\$ (906,770)</u>	15
16	2018 Adjusted ESA budget			<u>\$ 2,689,918</u>	16
17	ESA Applicable Volume (Therms) [5]			<u>129,778,854</u>	17
18	ESA PPP Component Rate per Therm (Ln.16/Ln.17)			<u>\$ 0.02073</u>	18
<u>CEE PPP Component</u>					
19	CEE Revenue Requirement [6]			\$ 1,000,000	19
20	CEE Balancing Account [2]			<u>\$(1,862,125)</u>	20
21	2018 Adjusted CEE budget			<u>\$ (862,125)</u>	21
22	CEE PPP Component Rate per Therm (Ln.21/Ln.17)			<u>\$ (0.00664)</u>	22
<u>R&D PPP Component</u>					
23	R & D Revenue Requirement			\$ 231,265	23
24	R & D Rate per Therm (Ln.23/Ln.17)			<u>\$ 0.00178</u>	24

[1] Funding levels approved in D.14-11-005.

[2] General Ledger Ending Balance September 30, 2017, including BOE Activity Adjustment. Balancing Account adjustment approved in D.04-08-010.

[3] Three-year (36 consecutive months ended September 30, 2017) average volumes for Southern California and Northern California, including South Lake Tahoe ratemaking areas, excluding exempt volumes.

[4] Amounts provided by the Energy Division on October 9, 2017.

[5] Three-year (36 consecutive months ended September 30, 2017) average state-wide volumes, excluding exempt volumes.

[6] Funding approved in D.14-06-028.