#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



October 19, 2018

**Advice Letter 1055-A-B** 

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

SUBJECT: To Establish 2018 and 2019 Ratemaking Incremental Costs Forecasts and Caps for the Natural Gas Leak Abatement Program in Compliance with OP 10 in D.17-06-015.

Dear Mr. Brown:

Advice Letter 1055-A-B is effective as of October 11, 2018 per Resolution # G-3538.

Sincerely,

Edward Randolph

Director, Energy Division

Edward Randoft



August 24, 2018

ATTN: Tariff Unit, Energy Division

edtariffunit@cpuc.ca.gov

California Public Utilities Commission 505 Van Ness Avenue, Room 4005

San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)

Advice Letter No. 1055-B - Substitute Sheet

Enclosed are an original and one (1) copy of Page 3 of Southwest Gas Corporation's (Southwest Gas) Advice Letter No. 1055-B. Advice Letter No. 1055-B, submitted on August 9, 2018, is a partial supplemental Advice Letter to update Southwest Gas' 2018 forecasted costs for Best Practice 21 related to its Natural Gas Leak Abatement Program Practices submitted in compliance with Ordering Paragraph (OP) 10 in Decision (D.) 17-06-015.

The purpose of this transmittal is to correct a typographical error in the table included on Page 3 of the Advice Letter, which incorrectly notes Best Practice 18, instead of Best Practice 21.

Southwest Gas respectfully requests that the enclosed substitute sheet replace the originally submitted sheet in AL 1055-B.

In accordance with General Order 96-B, General Rule 7.5.1, Southwest Gas is serving copies of this substitute sheet filing to the utilities and interested parties shown on the attached list.

Sincerely,

Valerie J. Ontiveroz

Regulatory Manager/California

VJO:jjp

**Enclosures** 

#### **Distribution List**

Advice Letter No. 1055-B

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

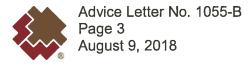
San Diego Gas & Electric Company SDG&ETariffs@SempraUtilities.com

Belinda Gatti
Energy Division
California Public Utilities Division
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



BP 18 - Stationary Methane Detectors,

BP 21 - "Find it/Fix it"

BP 22 - Pipe Fitting Specifications

BP 23 – Minimize Emissions from Operations, Maintenance and Other Activities

At the direction of Commission Staff, this partial supplemental Advice Letter updates forecasted costs for BP 21 to include costs for the repair of a second Grade 3 leak in 2018, as follows:

Doot		- United to	Capi	tal (\$)	
Best Practice	Service Territory	20	18	20	19
Practice		Filed	Updated	Filed	Updated
21	Southern California	150,000	265,000	300,000	N/A

Included as Attachment A is Southwest Gas' updated table for its Southern California service territory reflecting the updated 2018 costs for BP 21.

Attachment B sets forth the updated revenue requirement and anticipated rate for Southwest Gas' Southern California service territory. Southwest Gas continues to propose to recover its incremental BP costs on an equal-cents-per-therm basis.

Finally, Southwest Gas' updated Southern California Statement of Rates tariff sheets are included with this submission.

#### **Effective Date**

Pursuant to OP 10 in D.17-06-015, this Advice Letter is classified as Tier 3, effective after Commission approval, pursuant to GO 96-B. Southwest Gas respectfully requests this partial supplemental Advice Letter be approved at the Commission's earliest opportunity along with Advice Letter No. 1055-A.

#### **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. At the direction of the Commission's Energy Division Staff, Southwest Gas requests that the protest period for this Advice Letter be shortened to five days; therefore, protests must be received by August 14, 2018. The protest shall be sent by letter via U.S. Mail, facsimile, or electronically mailed (email). The address for mailing, delivering, emailing or faxing a protest to the Commission is:

ATTN: Tariff Unit Energy Division California Public Utilities Commission 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102

Email: edtariffunit@cpuc.ca.gov Facsimile: 415-703-2200



August 9, 2018

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. 1055-B

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1055-B, together with California Gas Tariff Sheet Nos. 65 - 67.

Sincerely,

Valerie J. Ontiveroz

Regulatory Manager/California

VJO:jjp Attachment



Advice Letter No. 1055-B

August 9, 2018

# PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Cal. P.U.C. Sheet No.	California Gas Tariff  Title of Sheet	Canceling Cal. P.U.C. Sheet No.
111th Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	110th Revised Sheet No. 65
112th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	111th Revised Sheet No. 66
57th Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	56th Revised Sheet No. 67

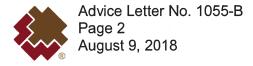
#### **Purpose**

The purpose of this partial supplemental Advice Letter is to update Southwest Gas' 2018 ratemaking forecasts and caps for the Natural Gas Leak Abatement Program Practices in compliance with Ordering Paragraph (OP) 10 in Decision (D.) 17-06-015.

At the direction of Commission Staff, this partial supplemental Advice Letter replaces the tariff sheets, schedules and Attachment A tables applicable to Southwest Gas' Southern California service territory submitted in Advice Letter No. 1055-A on April 20, 2018.

#### **Background**

On January 22, 2015, the Commission opened Order Instituting Rulemaking 15-01-008 to implement the provisions of Senate Bill (SB) 1371. SB 1371 requires the adoption of rules and procedures to minimize natural gas leakage from Commission-regulated natural gas pipeline facilities consistent with Public Utilities (PU) Code § 961(d), Title 49 of the Code of Federal Regulations §192.703(c), the Commission's General Order (GO) 112-F, and the State of California's goal of reducing greenhouse gas (GHG) emissions. SB 1371, which became effective January 1, 2015, added Article 3 to Chapter 4.5 "Gas Pipeline Safety" of the PU Code and consists of §§ 975, 977 and 978. In accordance with the PU Code, D.17-06-015 was issued on June 19, 2017, and establishes best practices and reporting requirements for the Commission's Natural Gas Leak Abatement Program to minimize natural gas emissions from California's regulated transmission and distribution gas systems. Pursuant to OP 10 in D.17-06-015:



On or prior to October 31, 2017, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation shall each file a Tier 3 Advice Letter to provide the following to establish 2018 and 2019 ratemaking forecasts and caps for the Natural Gas Leak Abatement Program:

- a) Identify the costs for incremental costs associated with each individual Best Practice, Pilot Projects and Research & Development (R&D), broken down by type of expenditure including capital, operations and maintenance, and administrative.
- b) Provide the justifications consistent with the criteria to evaluate Pilot Projects and R&D in [PU] Code § 740.1.
- c) The proposed allocation methodology for amortization of the account and the corresponding Commission decision authorizing the allocation methodology.<sup>1</sup>

The twenty-six mandatory methane best practices (BPs) are included in Appendix B to D.17-06-015 and are categorized as follows:

- Policies and Procedures (BPs 1 through 8);
- Recordkeeping (BP 9);
- Training (BPs 10 through 14);
- Leak Detection (BPs 15 through 20);
- Leak Repair (BP 21); and
- Leak Prevention (BPs 22 through 26).

The Commission structured utilities into three classes ("A", "B", or "C") based on the utilities total annual methane emissions and "...to guide the applicability of best practices and use of Pilot Projects and Research and Development (R&D) and exemptions."<sup>2</sup> Class B and C utilities may request exemptions from certain BPs subject to the Safety and Enforcement Division's review and approval. Southwest Gas is a Class B utility.

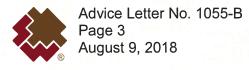
On October 31, 2017, Southwest Gas submitted its Tier 3 Advice Letter No. 1055 in compliance with OP 10 in D.17-06-015. Subsequently, Southwest Gas submitted supplemental Advice Letter No. 1055-A on April 20, 2018, replacing Advice Letter No. 1055 in its entirety to provide updated 2018 and 2019 incremental BP cost forecasts consistent with the proposals set forth in the Company's Emissions Mitigation Plan submitted in March 2018, pursuant to D.17-06-015.

#### <u>Updated 2018 Incremental BP Cost Forecasts Applicable to Southern California</u>

Southwest Gas' cost forecasts are limited to the following BPs:

<sup>&</sup>lt;sup>1</sup> Id. at p.161-162.

<sup>&</sup>lt;sup>2</sup> Id. at OP 6(b), p. 159-160.



BP 18 – Stationary Methane Detectors,

BP 21 - "Find it/Fix it"

BP 22 – Pipe Fitting Specifications

BP 23 - Minimize Emissions from Operations, Maintenance and Other Activities

At the direction of Commission Staff, this partial supplemental Advice Letter updates forecasted costs for BP 21 to include costs for the repair of a second Grade 3 leak in 2018, as follows:

Doct			Capi	tal (\$)	
Best Practice	Service Territory	20	2018		19
Practice		Filed	Updated	Filed	Updated
18	Southern California	150,000	265,000	300,000	N/A

Included as Attachment A is Southwest Gas' updated table for its Southern California service territory reflecting the updated 2018 costs for BP 21.

Attachment B sets forth the updated revenue requirement and anticipated rate for Southwest Gas' Southern California service territory. Southwest Gas continues to propose to recover its incremental BP costs on an equal-cents-per-therm basis.

Finally, Southwest Gas' updated Southern California Statement of Rates tariff sheets are included with this submission.

#### **Effective Date**

Pursuant to OP 10 in D.17-06-015, this Advice Letter is classified as Tier 3, effective after Commission approval, pursuant to GO 96-B. Southwest Gas respectfully requests this partial supplemental Advice Letter be approved at the Commission's earliest opportunity along with Advice Letter No. 1055-A.

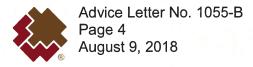
#### **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. At the direction of the Commission's Energy Division Staff, Southwest Gas requests that the protest period for this Advice Letter be shortened to five days; therefore, protests must be received by August 14, 2018. The protest shall be sent by letter via U.S. Mail, facsimile, or electronically mailed (email). The address for mailing, delivering, emailing or faxing a protest to the Commission is:

ATTN: Tariff Unit Energy Division California Public Utilities Commission 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102

Email: 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 Senior Vice President/General Counsel Southwest Gas Corporation P.O. Box 98510 Las Vegas, NV 89193-8510

Email: justin.brown@swgas.com

Facsimile: 702-364-3452

#### **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 this Advice Letter is being filed in compliance with OP 10 in D.17-06-015.

#### 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 submission 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:

Justin Lee Brown

Attachments

#### **Distribution List**

Advice Letter No. 1055-B

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 Utilties 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
<a href="mailto:nws@cpuc.ca.gov">nws@cpuc.ca.gov</a>

Pearlie Sabino
Office of Ratepayer Advocates
California Public Utilities Commission
pzs@cpuc.ca.gov





# California Public Utilities Commission

# ADVICE LETTER



LINERGI UIILIII	Te CAU
MUST BE COMPLETED BY UT	ILITY (Attach additional pages as needed)
Company name/CPUC Utility No.: Southwest Ga	as Corporation (U 905 G)
Utility type:  ☐ ELC	Contact Person: Valerie J. Ontiveroz Phone #: 702 876-7323 E-mail: valerie.ontiveroz@swgas.com E-mail Disposition Notice to: valerie.ontiveroz@swgas.com
EXPLANATION OF UTILITY TYPE  ELC = Electric GAS = Gas WATER = Water  PLC = Pipeline HEAT = Heat	(Date Submitted / Received Stamp by CPUC)
Advice Letter (AL) #: 1055-B	Tier Designation: Tier 3
forecasts and caps for the Natural C D.17-06-015.	055, which established 2018 and 2019 ratemaking incremental costs Gas Leak Abatement Program in compliance with OP 10 in
Keywords (choose from CPUC listing): Compliant AL Type: Monthly Quarterly Annu	
If AL submitted in compliance with a Commissi D.17-05-015	on 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 th	ne prior withdrawn or rejected AL: Not Applicable
Confidential treatment requested? Yes	<b>√</b> No
	nation: vailable to appropriate parties who execute a  ontact information to request nondisclosure agreement/
Resolution required? Yes V No	
Requested effective date: 9/8/18	No. of tariff sheets: 3
Estimated system annual revenue effect (%): N	N/A
Estimated system average rate effect (%): $N/A$	A
When rates are affected by AL, include attach (residential, small commercial, large C/I, agric	nment in AL showing average rate effects on customer classes ultural, lighting).
Tariff schedules affected: $_{ m N/A}$	
Service affected and changes proposed <sup>1:</sup> See	'Subject of AL' above
Pending advice letters that revise the same ta	riff sheets: Not applicable

# Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102

Email: <a href="mailto:EDTariffUnit@cpuc.ca.gov">EDTariffUnit@cpuc.ca.gov</a>

Name: Mr. Justin Lee Brown

Title: Senior Vice-President/General Counsel Utility Name: Southwest Gas Corporation

Address: P. O. Box 98510

City: Las Vegas State: Nevada

Telephone (xxx) xxx-xxxx: 702-876-7183 Facsimile (xxx) xxx-xxxx: 702-364-3452

Email: justin.brown@swgas.com

Name:

Title:

Utility Name:

Address:

City: State: Nevada

Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx:

Email:

California Gas Tariff

_	111th Revised Cal. P.U.C. Sheet No.	65
Canceling	110th Revised Cal. P.U.C. Sheet No.	65

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

Schedule No. and Type of Charge   Schedule No. and Type of Charge   Schedule No. and Type of Charge   Schole Residential Gas Service   Schole Residential Air-Conditioning Gas Service   Schole Residential Gas Service Residential Gas Service   Schole Residential Gas Service Residential Gas Service   Schole Residential Gas Service Residential Gas Service Residential Gas Service   Schole Residential Gas Service Residential Gas Service Reside			Charges [2]				
Schoresidential Gas Service   Social Service   Social Service Charge   Socia			and				
Basic Service Charge	Schedule No. and Type of Charge	Margin	Adjustments	Usage Rate	CPUC PPP	Gas Cost	Sales Rate
Cost per Therm   Baseline Quantities   \$ .71361   \$ .19582   \$ .90943   \$ .00166   \$ .11505   \$ .23667   \$ 1.26281   \$ .08488   .19582   \$ 1.08070   .00166   .11505   \$ .23667   \$ 1.43408   \$ .08488   .19582   .108070   .00166   .11505   \$ .23667   .143408   \$ .08488   .19582   .108070   .00166   .11505   \$ .23667   .143408   \$ .08488   .19582   .108070   .00166   .11505   .11505   .126281   \$ .08488   .19582   .108070   .00166   .11505   .11505   .126281   \$ .00166   .11505   .11505   .126281   \$ .00166   .11505   .126281   .12							
Baseline Quantities	<u> </u>	\$5.00					\$5.00
Tier II	· · · · · · · · · · · · · · · · · · ·						
Section   Sect	Baseline Quantities		•			\$ .23667	\$1.26281   I
Basic Service Charge   \$5.00	Tier II	\$ .88488	.19582	1.08070	.00166 .11505	.23667	1.43408
Cost per Therm   Tier	GS-11-Residential Air-Conditioning Gas Service						
Tire	Basic Service Charge	\$5.00					\$5.00
Tier II	Cost per Therm						
Air-Conditioning   S. 35681   .19582   .55263   .00166   .11505   .23667   .90601	Tier I	\$ .71361	\$ .19582	\$ .90943	\$ .00166 \$ .11505	\$ .23667	\$1.26281 I
Section   Sect	Tier II	.88488	.19582	1.08070	.00166 .11505	.23667	1.43408 I
Basic Service Charge	Air-Conditioning	\$ .35681	.19582	.55263	.00166 .11505	.23667	.90601 I
Basic Service Charge	GS-12-CARE Residential Gas Service						
Cost per Therm   Baseline Quantities   S. 48439   S. 19582   S. 68021   S. 00166   S. 01587   S. 23667   S. 93441   I   I   I   I   I   I   I   I   I		\$4.00					\$4.00
Baseline Quantities   S.48439   S.19582   S.68021   S.00166   S.01587   S.23667   S.93441   I Tier II   S.62141   S.19582   S.81723   S.00166   S.01587   S.23667   S.107143   I S.0168   S.23667   S.107143   I S.0168   S.23667   S.107143   I S.0168   S.23667   S.00168   S.00166   S.01587   S.23667   S.00168   S.00		Ψ4.00					\$4.00
Tier II	l '	\$ 48439	\$ 19582	\$ 68021	\$ 00166 \$ 01587	\$ 23667	\$ 93441
Service Charge   Serv							
Basic Service Charge		.02141	.10002	.01720	.00100 .01007	.20007	Ψ1.07140
Cost per Therm		<b>#</b> 0 00					<b>#</b> 0.00
Section   Sect	l		Ф 40 <u>50</u> 0	<b>#</b> 4 00040	Ф 00400 Ф 44505	¢ 00007	
Basic Service Charge   \$25.00     \$25.00     \$25.00     \$25.00     \$25.00	Cost per Therm	\$1.09366	\$ .19582	\$1.28948	\$ .00166 \$ .11505	\$ .23667	\$1.64286
Cost per Therm   Baseline Quantities   \$ .71361   \$ .19582   \$ .90943   \$ .00166   \$ .11505   \$ .23667   \$ 1.26281   \$   \$   \$   \$   \$   \$   \$   \$   \$	GS-20-Multi-Family Master-Metered Gas Service						
Baseline Quantities   Tier II	Basic Service Charge	\$25.00					\$25.00
Tier II	Cost per Therm						
Service-Submetered   Service Charge	Baseline Quantities	\$ .71361	\$ .19582	\$ .90943	\$ .00166 \$ .11505	\$ .23667	\$1.26281 I
Service Submetered   Sasic Service Charge   \$25.00   Sasic Service Charge   Sasic Service   Sasic Service   Sasic Service   Sasic Servi	Tier II	.88488	.19582	1.08070	.00166 .11505	.23667	1.43408 I
Basic Service Charge	GS-25-Multi-Family Master-Metered Gas						
Cost per Therm   Baseline Quantities   \$ .71361   \$ .19582   \$ .90943   \$ .00166   \$ .11505   \$ .23667   \$ 1.26281   \$   Tier II	Service-Submetered						
Baseline Quantities   Tier II	Basic Service Charge	\$25.00					\$25.00
Tier II	Cost per Therm						
Submetered Discount per Occupied Space (\$7.69) (\$7.69) (\$7.69) (\$7.69)	Baseline Quantities	\$ .71361	\$ .19582	\$ .90943	\$ .00166 \$ .11505	\$ .23667	
Scanding   Cost   Cos	I		.19582	1.08070	.00166 .11505	.23667	
Basic Service Charge	Submetered Discount per Occupied Space	(\$7.69)					(\$7.69)
Basic Service Charge       \$8.80       \$8.80         Cost per Therm       First 100       \$.42222       \$.19582       \$.61804       \$.00166       \$.01587       \$.23667       \$.87224       I         Next 500       .28847       .19582       .48429       .00166       .01587       .23667       .73849       I         Next 2,400       .18147       .19582       .37729       .00166       .01587       .23667       .63149       I         Over 3,000       .05556       .19582       .25138       .00166       .01587       .23667       .50558       I         GS-40-Core General Gas Service (non-Covered Entities)       Basic Service Charge       \$11.00       \$11.00       \$780.00       \$780.00         Cost per Therm       First 100       \$.63590       \$.19582       \$.83172       \$.00166       .11505       \$.23667       \$1.18510       I         Next 500       \$.46871       .19582       .66453       .00166       .11505       .23667       1.01791       I							
Cost per Therm First 100 \$ .42222 \$ .19582 \$ .61804 \$ .00166 \$ .01587 \$ .23667 \$ .87224   Next 500	Group Living Facility Gas Service						
First 100 \$ .42222 \$ .19582 \$ .61804 \$ .00166 \$ .01587 \$ .23667 \$ .87224   Next 500	Basic Service Charge	\$8.80					\$8.80
Next 500   .28847   .19582   .48429   .00166   .01587   .23667   .73849   Next 2,400   .18147   .19582   .37729   .00166   .01587   .23667   .63149   Over 3,000   .05556   .19582   .25138   .00166   .01587   .23667   .50558   Over 3,000   .05556   .19582   .25138   .00166   .01587   .23667   .50558   Over 3,000   .05556   .19582   .25138   .00166   .01587   .23667   .50558   Over 3,000   .05556   .19582   .25138   .00166   .01587   .23667   .50558   Over 3,000   .05556   .19582   .25138   .00166   .11505   .23667   .50558   Over 3,000   .11505   .23667   .118510   .12850	Cost per Therm						
Next 2,400   .18147   .19582   .37729   .00166   .01587   .23667   .63149       Over 3,000   .05556   .19582   .25138   .00166   .01587   .23667   .50558       GS-40-Core General Gas Service (non-Covered Entities)	First 100	\$ .42222	\$ .19582	\$ .61804	\$ .00166 \$ .01587	\$ .23667	\$ .87224   I
Over 3,000       .05556       .19582       .25138       .00166       .01587       .23667       .50558       I         GS-40-Core General Gas Service (non-Covered Entities)         Basic Service Charge       \$11.00       \$11.00       \$11.00       \$780.00         Transportation Service Charge       \$780.00       \$780.00       \$780.00         Cost per Therm       First 100       \$ .63590       \$ .19582       \$ .83172       \$ .00166       \$ .11505       \$ .23667       \$ 1.18510       I         Next 500       \$ .46871       .19582       .66453       .00166       .11505       .23667       1.01791       I							
GS-40-Core General Gas Service (non-Covered Entities)   Sasic Service Charge   \$11.00   \$11.00   \$11.00   \$780.00   \$780.00   \$780.00   \$780.00   \$780.00   \$11.00							
(non-Covered Entities)         Basic Service Charge       \$11.00       \$11.00         Transportation Service Charge       \$780.00       \$780.00         Cost per Therm       \$ .63590       \$ .19582       \$ .83172       \$ .00166       \$ .11505       \$ .23667       \$ 1.18510                 Next 500       \$ .46871       .19582       .66453       .00166       .11505       .23667       1.01791	Over 3,000	.05556	.19582	.25138	.00166 .01587	.23667	.50558
Basic Service Charge       \$11.00       \$11.00         Transportation Service Charge       \$780.00       \$780.00         Cost per Therm       \$ .63590       \$ .19582       \$ .83172       \$ .00166       \$ .11505       \$ .23667       \$ 1.18510                 Next 500       \$ .46871       .19582       .66453       .00166       .11505       .23667       1.01791	GS-40-Core General Gas Service						
Transportation Service Charge       \$780.00       \$780.00         Cost per Therm       \$ .63590       \$ .19582       \$ .83172       \$ .00166       \$ .11505       \$ .23667       \$ 1.18510                 Next 500       \$ .46871       .19582       .66453       .00166       .11505       .23667       1.01791	(non-Covered Entities)						
Cost per Therm         First 100       \$ .63590       \$ .19582       \$ .83172       \$ .00166       \$ .11505       \$ .23667       \$ 1.18510                 Next 500       \$ .46871       .19582       .66453       .00166       .11505       .23667       1.01791	<u> </u>						
First 100 \$ .63590 \$ .19582 \$ .83172 \$ .00166 \$ .11505 \$ .23667 \$ 1.18510   Next 500 \$ .46871 .19582 .66453 .00166 .11505 .23667 1.01791		\$780.00					\$780.00
Next 500 \$ .46871 .19582 .66453 .00166 .11505 .23667 1.01791	· ·						
Next 2 400 \$ 33496 .19582 .53078 .00166 .11505 .23667 .88416 L	l						
	Next 2,400	\$ .33496	.19582	.53078	.00166 .11505	.23667	.88416
Over 3,000 \$ .17757 .19582 .37339 .00166 .11505 .23667 .72677	Over 3,000	\$ .17757	.19582	.37339	.00166 .11505	.23667	.72677 l

		issued by	Date Filed August 9, 2018
Advice Letter No	1055-B	Justin Lee Brown	Effective
Decision No		Senior Vice President	Resolution No.

112th Revised Cal. P.U.C. Sheet No. 66
111th Revised Cal. P.U.C. Sheet No. 66

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

Canceling

		Charges [2]				<b>-</b> 66	
Schedule No. and Type of Charge	Margin	and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC PPP	Gas Cost	Effective Sales Rate	
GS-40-Core General Gas Service (Covered Entities)							
Basic Service Charge Transportation Service Charge Cost per Therm	\$11.00 \$780.00					\$11.00 \$780.00	
First 100 Next 500	\$ .63590 \$ .46871	\$ .14870 .14870	\$ .78460 .61741	\$ .00166 \$ .11505 .00166 .11505	\$ .23667 .23667	\$ 1.13798 .97079	
Next 2,400	\$ .46871 \$ .33496	.14870	.48366	.00166 .11505	.23667	.83704	ľ
Over 3,000	\$ .17757	.14870	.32627	.00166 .11505	.23667	.67965	I
GS-50-Core Natural Gas Service for Motor Vehicles	_						
Basic Service Charge	\$25.00	Φ 40500	Φ 00050	Φ 00400 Φ 44505	Φ 00007	\$25.00	Ι.
Cost per Therm	\$ .12468	\$ .19582	\$ .32050	\$ .00166 \$ .11505	\$ .23667	\$ .67388	
GS-60-Core Internal Combustion Engine Gas Service	_						
Basic Service Charge	\$25.00 \$ .18581	Ф 40E00	<b>ተ 20162</b>	<u>ቀ 00466 </u>	¢ 22667	\$25.00	Ι.
Cost per Therm	ъ .10001	\$ .19582	\$ .38163	\$ .00166 \$ .11505	\$ .23667	\$ .73501	l
GS-LUZ-Solar Electric Generation Gas Service							
Basic Service Charge	\$50.00					\$50.00	Ι.
Cost per Therm	\$ .05338	\$ .00242	\$ .05580	\$ .00166		\$ .05746	l
GS-66-Core Small Electric Power Generation Gas Service	_						
Basic Service Charge	\$25.00					\$25.00	١.
Cost per Therm	\$ .26781	\$ .19582	\$ .46363	\$ .00166	\$ .23667	\$ .70196	
GS-70-Noncore General Gas Transportation Service							
Basic Service Charge	\$100.00					\$100.00	
Transportation Service Charge Cost per Therm	\$780.00 \$ .13597	\$ .09620	\$ .23217	\$ .00166 \$ .11505		\$780.00 \$ .34888	
GS-VIC City of Victorville Gas Service							
Basic Service Charge	\$11.00					\$ 11.00	
Transportation Service Charge	\$780.00	Ф 40 <b>г</b> 00	Ф <b>Б</b> 7 <b>Б</b> 40	Ф 004CC	Ф 00007	\$780.00	Ι.
Cost per Therm	\$ .37960	\$ .19582	\$ .57542	\$ .00166	\$ .23667	\$ .81375	I
TFF-Transportation Franchise Fee Surcharge Provision							
TFF Surcharge per Therm	_					\$ .00282	
TDS – Transportation Distribution System Shrinkage Charge							
TDS Charge per Therm	_					\$ .00180	
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision							
MHPS Surcharge per Space per Month	_					\$ .21000	
							l

		Issued by	Date Filed August 9, 2018
Advice Letter No	1055-B	Justin Lee Brown	Effective
Decision No.		Senior Vice President	Resolution No

Cancel	ina

57th Revised Cal. P.U.C. Sheet No.

56th Revised Cal. P.U.C. Sheet No.

lo. <u>67</u> lo 67

## STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]

- [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 0.76%. 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] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GS-10, GS-11, GS-12, GS-15, GS-20, GS-25, GS-35,	GS-40 (non- Covered Entities), GS-50, GS-60, GS-66	GS-40, (Covered Entities)	GS-70	_GS-VIC_	GS-LUZ
Upstream Intrastate Charges						
Storage	\$	.01157	\$ .01157		\$ .01157	
Variable		.03932	.03932	\$ .03932	.03932	
Upstream Interstate Reservation Charges		.05352	.05352		.05352	
IRRAM Surcharge		.00000	.00000	.00000		
Balancing Account Adjustments						
FCAM*		.03629	.03629	.00176	.03629	\$ .00176
ITCAM		.00611	.00611	.00611	.00611	
GHGBA**						
Non-Covered Entities [a]		.04778		.04778	.04778	
Covered Entities [a]			.00066			.00066
NERBA		.00052	.00052	.00052	.00052	
NGLAPBA		.00071	.00071	.00071	.00071	
Total Rate Adjustment	\$	.19582	\$ .14870	\$ .09620	\$ .19582	\$ .00242

<sup>\*</sup> The FCAM surcharge includes an amount of \$.00176 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

Ν

Advice Letter No. 1055-B

Decision No. Se

Issued by
Justin Lee Brown
Senior Vice President

Date Filed August 9, 2018

Effective Resolution No.

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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).

<sup>[</sup>a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

#### Advice Letter No. 1055-B Attachment A

Updated 2018
Southern California
Proposed Incremental Costs Forecasts
for Natural Gas Leak Abatement Program
26 Mandatory Best Practices

# ADVICE LETTER NO. 1055-B SUPPLEMENT ATTACHMENT A

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 2019<sup>[1]</sup> SOUTHERN CALIFORNIA SERVICE TERRITORY

BP#	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$) 2018	2019	O & M (\$) 2018	2019	A & G (\$)	Amortization Method/Commission Authorization
<b>~</b>	Compliance Plan	ON.			ı	,		ı	
7	Methane GHG Policy	ON.		•	,	,	,	,	
က	Pressure Reduction Policy	ON.		•		•	•	•	
4	Project Scheduling Policy	Q N		•		•	•	•	
2	Methane Evacuation Procedures	Q N		•	•	•	•	•	
9	Methane Evacuation Work Orders Policy	<u>Q</u>		•		•	•	•	
7	Bundling Work Policy	9		•		•	•	•	
∞	Company Emergency Procedures	9		•			•		
6	Recordkeeping	Q N		•		•	•	•	
10	Minimize Uncontrolled Natural Gas Emissions Training	Q N		•		•	•	•	
7	Methane Emissions Minimization Policies Training	Q N		•		•	•	•	
12	Knowledge Continuity Training Programs	<u>Q</u>		•		•	•	•	
13	Performance Focused Training Programs	9					•	•	
14	Formal Job Classifications (Exemption Allowed)	YES		•					
15	Gas Distribution Leak Surveys	9		•		•	•	•	
16	Special Leak Surveys	<u>Q</u>		•		•	•	•	
17	Enhanced Methane Detection (Exemption Allowed)	YES		•		•	•	•	
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA	150,000	300,000	363,590	487,366		equal-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES		•	•	•	•	•	
20a	Quantification (Exemption Allowed)	YES		•	•	•	ı		
20b	Geographic Tracking	ON.						•	
21	"Find it/Fix it"	<u>Q</u>	NERBA	265,000		•	•	•	equal-cents-per-therm
22	Pipe Fitting Specifications (Exemption Allowed)	YES	NGLAPBA	•		13,216	•	•	equal-cents-per-therm
23	Minimize Emissions from Operations, Maintenance and Other Activities	9	NERBA	31,000	31,000	•			equal-cents-per-therm
24	Dig-Ins/Public Education Program	<u>Q</u>			•				
25	Dig-Ins/Company Standby Monitors	<u>Q</u>		•		•	•	•	
26	Dig-Ins/Repeat Offenders	ON O		•		•	•	•	
	Total		€	3 446,000 \$	331,000 \$	\$ 908'928	487,366	ı	

from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan. [1] Incremental Cost Forecasts are not incluided for those BPs

#### Advice Letter No. 1055-B Attachment B

Updated 2018
Southern California
Revenue Requirement and
Anticipated Rates

# ADVICE LETTER NO. 1055-B ATTACHMENT B

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTHERN CALIFORNIA SERVICE TERRITORY

Line	<b>.</b>	D (D ()	5 .	0040	0040	Line
No.	Description (a)	Best Practice (b)	Percent (c)	 2018 (d)	2019	No.
	(a)	(b)	(0)	(d)	(e)	
1	"Find it/Fix it" Minimize Emissions from Operations,	21		265,000	0	1
2	Maintenance and Other Activities	23		 31,000	31,000	2
3	Total Dollars			\$ 296,000	31,000	3
4	Pre-Tax Return			 10.80%	10.80%	4
5	Financing Cost			\$ 31,972	3,348	5
6	Depreciation		3.61%	\$ 10,686	1,119	6
7	Property Tax		1.20%	\$ 3,542	371	7
8	Revenue Requirement Before Franchise			\$ 46,199	4,838	8
9	Franchise Rate		1.15%	\$ 532	56	9
10	Revenue Requirement After Franchise			\$ 46,731	4,894	10
11	Applicable Volumes (therms)			90,085,988	90,085,988	11
12	NERBA Rate Applicable to all Rate Schedules Except GS-LUZ			\$ 0.00052	\$ 0.00005	12

#### ADVICE LETTER NO. 1055-B ATTACHMENT B

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTHERN CALIFORNIA SERVICE AREA

Line							Line
No.	Description	Best Practice	Percent	 2018	_	2019	No.
	(a)	(b)	(c)	(d)		(e)	
1	Stationary Methane Detectors (Capital)	18		\$ 150,000	\$	300,000	1
2	Stationary Methane Detectors (O&M)	18		363,590		487,366	2
3	Pipe Fitting Specifications (O&M)	22		13,216		0	3
4	Total Dollars			\$ 526,806	\$	787,366	4
5	Pre-Tax Return			10.80%		10.80%	5
6	Financing Cost			\$ 56,901	\$	85,045	6
7	Depreciation [1]		2.86%	\$ 4,290	\$	8,580	7
8	Property Tax [2]		1.20%	\$ 1,795	\$	3,590	8
9	Revenue Requirement Before Franchise			\$ 62,986	\$	97,215	9
10	Franchise Rate		1.15%	\$ 725	\$_	1,119	10
11	Revenue Requirement After Franchise			\$ 63,711	\$_	98,333	11
12	Applicable Volumes (therms)			90,085,988		90,085,988	12
13	NGLAPBA Rate Applicable to all Rate Schedules Except GS-LUZ			\$ 0.00071		\$ 0.00109	13

<sup>[1]</sup> Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

<sup>[2]</sup> Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.



April 20, 2018

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. 1055-A

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1055-A, together with California Gas Tariff Sheet Nos. 65 - 71.

Sincerely,

Valerie J. Optiveroz

Regulatory Manager/California

VJO:jjp

Attachment



Advice Letter No. 1055-A

April 20, 2018

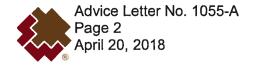
# PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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.
105th Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	95th/104th Revised Sheet No. 65
106th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	96th/105th Revised Sheet No. 66
54th Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	52nd/53rd Revised Sheet No. 67
103rd Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	93rd/102nd Revised Sheet No. 68
105th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	95th/104th Revised Sheet No. 69
70th Revised Sheet No. 70	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	60th/69th Revised Sheet No. 70
105th Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	95th/104th Revised Sheet No. 71

#### <u>Purpose</u>

The purpose of this supplemental filing is to update Southwest Gas' 2018 and 2019 ratemaking forecasts and caps for the Natural Gas Leak Abatement Program Best Practices originally submitted in Advice Letter No. 1055 on October 31, 2017. Advice Letter No. 1055 was filed in compliance with Ordering Paragraph (OP) 10 in Decision (D.) 17-06-015. This supplemental Advice Letter replaces in its entirety Advice Letter No. 1055.



#### **Background**

On January 22, 2015, the Commission opened Order Instituting Rulemaking 15-01-008 to implement the provisions of Senate Bill (SB) 1371. SB 1371 requires the adoption of rules and procedures to minimize natural gas leakage from Commission-regulated natural gas pipeline facilities consistent with Public Utilities (PU) Code § 961(d), Title 49 of the Code of Federal Regulations §192.703(c), the Commission's General Order (GO) 112-F, and the State of California's goal of reducing greenhouse gas (GHG) emissions. SB 1371, which became effective January 1, 2015, added Article 3 to Chapter 4.5 "Gas Pipeline Safety" of the PU Code and consists of §§ 975, 977 and 978. In accordance with the PU Code, D.17-06-015 was issued on June 19, 2017, and establishes best practices and reporting requirements for the Commission's Natural Gas Leak Abatement Program to minimize natural gas emissions from California's regulated transmission and distribution gas systems. D.17-06-015 implements the following:

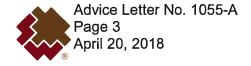
- 1. Annual reporting for tracking methane emissions;
- 2. Twenty-six mandatory best practices for minimizing methane emissions pertaining to policies and procedures, recordkeeping, training, experienced trained personnel, leak detection, leak repair, and leak prevention;
- 3. Biennial compliance plan incorporated into the utilities' annual Gas Safety Plans, beginning in March 2018;
- 4. Cost recovery process to facilitate Commission review; and
- 5. Incremental expenditures to implement best practices and Pilot Programs and Research & Development.<sup>1</sup>

#### Additionally, pursuant to OP 10:

On or prior to October 31, 2017, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation shall each file a Tier 3 Advice Letter to provide the following to establish 2018 and 2019 ratemaking forecasts and caps for the Natural Gas Leak Abatement Program:

a) Identify the costs for incremental costs associated with each individual Best Practice, Pilot Projects and Research & Development (R&D), broken down by type of expenditure including capital, operations and maintenance, and administrative.

<sup>&</sup>lt;sup>1</sup> D.17-06-015, at p. 2.



#### Background (continued)

- b) Provide the justifications consistent with the criteria to evaluate Pilot Projects and R&D in [PU] Code § 740.1.
- c) The proposed allocation methodology for amortization of the account and the corresponding Commission decision authorizing the allocation methodology.<sup>2</sup>

The twenty-six mandatory methane best practices (BPs) are included in Appendix B to D.17-06-015 and are categorized as follows:

- Policies and Procedures (BPs 1 through 8);
- Recordkeeping (BP 9);
- Training (BPs 10 through 14);
- Leak Detection (BPs 15 through 20);
- Leak Repair (BP 21); and
- Leak Prevention (BPs 22 through 26).

The Commission structured utilities into three classes ("A", "B", or "C") based on the utilities total annual methane emissions and "...to guide the applicability of best practices and use of Pilot Projects and Research and Development (R&D) and exemptions."<sup>3</sup> Class B and C utilities may request exemptions from certain BPs subject to the Safety and Enforcement Division's review and approval. Southwest Gas is a Class B utility.

On October 31, 2017, Southwest Gas submitted its Tier 3 Advice Letter No. 1055 in compliance with OP 10 in D.17-06-015.

#### <u>Updated 2018 and 2019 Incremental BP Cost Forecasts</u>

Southwest Gas' initial cost forecasts were limited to the following BPs:

BP 18 – Stationary Methane Detectors,

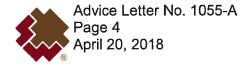
BP 21 - "Find it/Fix it"

BP 23 – Minimize Emissions from Operations, Maintenance and Other Activities

This supplement updates forecasted costs for BP 18 and includes forecasted costs for BP 22-Pipe Fitting Specifications, as follows:

<sup>&</sup>lt;sup>2</sup> Id. at p.161-162.

<sup>&</sup>lt;sup>3</sup> Id. at OP 6(b), p. 159-160.



#### <u>Updated 2018 and 2019 Incremental BP Cost Forecasts</u> (continued)

#### BP 18 – Stationary Methane Detectors

Utilizing the guidelines set forth in PU Code § 740.1, Southwest Gas is proposing both a pilot project and an R&D program with respect to BP 18. The pilot project and R&D will, at a minimum, support environmental improvement, as well as the development of new resources and processes. Southwest Gas believes that these proposals will allow the Company to thoroughly evaluate the use and effectiveness of stationary methane leak detectors in reducing regulator station emissions. Further, Southwest Gas does not anticipate its R&D proposal will unnecessarily duplicate research currently, previously or imminently undertaken by other entities.

#### Pilot Project

Southwest Gas initially anticipated implementation of a pilot project to evaluate the feasibility of monitoring Metering & Regulating (M&R) facilities for early detection of methane leakage using commercially available methane detection equipment for BP 18 at two locations (the first in 2018 and a second 2019) within its Southern California service territory and at one location in 2019 within its South Lake Tahoe, California service territory. Upon further review, Southwest Gas replaced the proposed South Lake Tahoe location with a second location in its Southern California service territory. The updated costs are reflected in the following table:

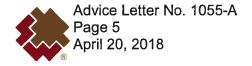
D4		Capital (\$)							
Best Practice	Service Territory	20	)18	2019					
Practice		Filed	Updated	Filed	Updated				
10	Southern California	150,000	N/A	150,000	300,000				
18	South Lake Tahoe	N/A	N/A	150,000	0				

#### R&D Program

Southwest Gas initially anticipated forecasted costs for the proposed R&D associated with BP 18 to be \$1 million annually, for a total of \$2 million over the 2018-2019 compliance plan period. After further development of the R&D proposal, the forecasted costs were reduced to \$1.32 million over an 18-month period – \$564,000 will be expended in 2018 while \$756,000 will be expended in 2019. The updated costs by service territory are reflected in the following table:

Dood		O&M (\$)							
Best	Service Territory	20	018	2019					
Practice		Filed	Updated*	Filed	Updated*				
	Southern California	644,664	363,590	644,664	487,366				
18	Northern California	194,520	109,709	194,520	147,057				
	South Lake Tahoe	160,816	90,700	160,816	121,577				

<sup>\*</sup>Forecasted costs include a 20% contingency.



#### **Updated 2018 and 2019 Incremental BP Cost Forecasts** (continued)

BP 22 – Pipe Fitting Specifications

Subsequent to the submission of Advice Letter No. 1055, Southwest Gas was invited to participate in an industry R&D study through NYSEARCH on pipe fittings. Southwest Gas' forecasted costs for its portion of the funding associated with this R&D program is \$20,500. The updated costs by service territory are reflected in the following table:

Best	Service Territory	O&M (\$) 2018		
Practice		Filed	Updated	
	Southern California	0	13,216	
22	Northern California	0	3,988	
	South Lake Tahoe	0	3,297	

Attached as Attachment A are Southwest Gas' updated proposed costs for the relevant BPs, including Pilot Projects and R&D. Southwest Gas utilized the template provided by the Energy Division to breakdown its costs by type of expenditure.

Attachment B sets forth the applicable revenue requirement and anticipated rate for each of Southwest Gas' California service territories. Southwest Gas proposes to recover its incremental BP costs on an equal-cents-per-therm basis. This is the same methodology approved by the Commission in D.14-03-021 (Mobilehome Park Utility Upgrade Program conversion costs) and D.15-10-032 (Greenhouse Gas compliance costs).

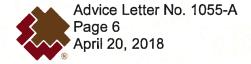
#### **Effective Date**

Pursuant to OP 10 in D.17-06-015, this Advice Letter is classified as Tier 3, effective after Commission approval, pursuant to GO 96-B. Southwest Gas respectfully requests this Advice Letter be approved at the Commission's earliest opportunity.

#### **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:

<sup>&</sup>lt;sup>4</sup> Southwest Gas Advice Letter No. 1042 (as supplemented), was approved effective July 14, 2017, and established the New Environmental Regulatory Balancing Account (NERBA), Natural Gas Leak Abatement Program Memorandum Account (NGLAPMA) and Natural Gas Leak Abatement Program Balancing Account (NGLAPBA).



#### Protest (continued)

**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

Email: justin.brown@swgas.com

Facsimile: 702-364-3452

#### **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 this Advice Letter is being filed in compliance with OP 10 in D.17-06-015.

#### Service

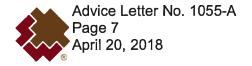
In accordance with GO 96-B, General Rule 7.2, Southwest Gas is mailing copies of this Advice Letter and related tariff sheets to the utilities and interested parties shown on the attached list.

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



Service (continued)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

Ву:

Justin Lee Brown

Attachments

#### **Distribution List**

Advice Letter No. 1055-A

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 Utilties 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
<a href="mailto:nws@cpuc.ca.gov">nws@cpuc.ca.gov</a>

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. South	Company name/CPUC Utility No. Southwest Gas Corporation (U 905G)						
Utility type:	Contact Person: Va	lerie J. Ontiveroz					
□ ELC ■ GAS	Phone #: (702) 876-	<del>-7323</del>					
□ PLC □ HEAT □ WATER	E-mail: valerie.onti	veroz@swgas.com					
EXPLANATION OF UTILIT	Y TYPE	(Date Filed/ Received Stamp by CPUC)					
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water						
Advice Letter (AL) #: 1055-A	VVATER - VValer						
	l attar No. 1055 whi	ch established 2018 and 2019 ratemaking					
		s Leak Abatement Program in compliance with					
OP 10 in D.17-06-015.							
Keywords (choose from CPUC listing):	Compliance Filing						
AL filing type: ☐ Monthly ☐ Quarterly ☐	☐ Annual ■ One-Time	e 🗆 Other					
If AL filed in compliance with a Commiss	sion order, indicate re	elevant Decision/Resolution #: D.17-06-015					
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL Not applicable							
Summarize differences between the AL	and the prior withdra	wn or rejected AL¹: <b>Not applicable</b>					
Resolution Required? ■ Yes □ No							
Requested effective date: Upon Comm	ission Approval	No. of tariff sheets: 7					
Estimated system annual revenue effec	t: (%): Not applicab	<u>le</u>					
Estimated system average rate effect (%	%): Not applicable						
		wing average rate effects on customer classes					
(residential, small commercial, large C/I Tariff schedules affected: Not applicated)		).					
Service affected and changes proposed		.' above					
Pending advice letters that revise the same tariff sheets: <b>Not applicable</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:							
CPUC, Energy Division Attention: Tariff Unit		Utility Info (including e-mail) Mr. Justin Lee Brown,					
505 Van Ness Ave.	•	Vice President/Regulation & Public Affairs					
San Francisco, CA 94102		Southwest Gas Corporation					
E-mail: edtariffunit@cpuc.ca.gov		P. O. Box 98510 Las Vegas, NV 89193-8510					
		E-mail: justin.brown@swgas.com					
		Facsimile: 702-364-3452					

 $<sup>^{\</sup>rm 5}$  Discuss in AL if more space is needed.

California Gas Tariff

	105th Revised Cal. P.U.C. Sheet No.	65
Canceling	95th/104th Revised Cal. P.U.C. Sheet No.	65

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

		Charges [2]							
Schedule No. and Type of Charge	Margin	and Adjustments	Subtotal Gas Usage Rate		Other Surc	harges PPP	Gas Cost	Effective Sales Rate	
GS-10-Residential Gas Service			3-1-1					_ouros rtato	-
Basic Service Charge	\$5.00							\$5.00	l
Cost per Therm	,							Ψ 5.00	ı
Baseline Quantities	\$ .71361	\$ .14784	\$ .86145	\$	.00166 \$	.11505	\$ .21486	\$1.19302	П
Tier II	\$ .88488	.14784	1.03272	•	.00166	.11505	.21486	1.36429	Ιi
GS-11-Residential Air-Conditioning Gas Service									Г
Basic Service Charge	\$5.00							C = 00	
Cost per Therm	Ψ0.00							\$5.00	ı
Tier I	\$ .71361	\$ .14784	\$ .86145	\$	.00166 \$	11505	\$ .21486	\$1.19302	L
Tier II	.88488	.14784	1.03272	Ψ	.00166	.11505	.21486	1.36429	Ιi
Air-Conditioning	\$ .35681	.14784	.50465		.00166	.11505	.21486	.83622	Hi
GS-12-CARE Residential Gas Service							.2.1.00	.00022	Ι,
Basic Service Charge	\$4.00							¢ 4 00	ı
Cost per Therm	ψ4.00							\$4.00	1
Baseline Quantities	\$ .49835	\$ .14784	\$ .64619	æ	.00166 \$	.01587	\$ .21486	\$ .87858	L,
Tier II	.63536	.14784	.78320	Ψ	.00166 \$	.01587		\$ 1.01559	۱ï
GS-15-Secondary Residential Gas Service			., 6626		.00100	.01007	.21400	ψ 1.01333	
Basic Service Charge	\$6.00							<b>*</b> • • • •	
Cost per Therm	\$ 1.09366	\$ .14784	\$1.24150	e	.00166 \$	11505	¢ 21406	\$6.00	١,
	Ψ 1.05500	Ψ.14704	φ1.24150	Φ	.υυτου φ	.11505	\$ .21486	\$1.57307	
GS-20-Multi-Family Master-Metered Gas Service									ı
Basic Service Charge Cost per Therm	\$25.00							\$25.00	
Baseline Quantities	\$ .71361	¢ 44704	r 00445	•	00400 @	44505			۱.
Tier II	.88488	\$ .14784 .14784	\$ .86145 1.03272	Ф	.00166 \$		\$ .21486	\$1.19302	l !
GS-25 -Multi-Family Master-Metered Gas	.00400	.14704	1.03272		.00166	.11505	.21486	1.36429	ľ
Service-Submetered									
Basic Service Charge	\$25.00							<b>#</b> 05.00	
Cost per Therm	Ψ20.00							\$25.00	
Baseline Quantities	\$ .71361	\$ .14784	\$ .86145	\$	.00166 \$	.11505	\$ .21486	\$1.19302	١,
Tier II	.88488	.14784	1.03272	Ψ	.00166	.11505	.21486	1.36429	Li
Submetered Discount per Occupied Space	(\$7.69)	,,,,,,,			.00100	. 1 1000	.21400	(\$7.69)	Ι΄.
GS-35-Agriculture Employee Housing & Nonprofit	, ,							(ψ1.00)	
Group Living Facility Gas Service									
Basic Service Charge	\$8.80							\$8.80	
Cost per Therm								<b>¥</b> 0.00	
First 100	\$ .43618	\$ .14784	\$ .58402	\$	.00166 \$	.01587	\$ .21486	\$ .81641	1
Next 500	.30243	.14784	.45027		.00166	.01587	.21486	.68266	1
Next 2,400	.19543	.14784	.34327		.00166	.01587	.21486	.57566	1
Over 3,000	.06952	.14784	.21736		.00166	.01587	.21486	.44975	1
GS-40-Core General Gas Service									
Basic Service Charge	\$11.00							\$11.00	
Transportation Service Charge	\$780.00							\$780.00	
Cost per Therm									
First 100	\$ .63590	\$ .14784	•	\$	.00166 \$	.11505	\$ .21486	\$1.11531	1
Next 500	\$ .46871	.14784	.61655		.00166	.11505	.21486	.94812	
Next 2,400	\$ .33496	.14784	.48280		.00166	.11505	.21486	.81437	
Over 3,000	\$ .17757	.14784	.32541		.00166	.11505	.21486	.65698	1

	issued by	Date Filed April 20, 2016	
Advice Letter No. 1055-A	Justin Lee Brown	Effective	
Decision No	Vice President	Resolution No	

# SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling 96th/105th Re

106th Revised Cal. P.U.C. Sheet No. \_\_ 96th/105th Revised Cal. P.U.C. Sheet No. \_\_

\_\_\_\_66 \_\_\_66

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

		Charges [2]	Subtotal Gas	Other Surcharges		Effective
Schedule No. and Type of Charge	Margin		Usage Rate	CPUC PPP	Gas Cost	Sales Rate
GS-50-Core Natural Gas Service for Motor Vehicles						
Basic Service Charge	\$25.00					\$25.00
Cost per Therm	\$ .12468	\$ .14784	\$ .27252	\$ .00166 \$ .11505	\$ .21486	\$ .60409
GS-60-Core Internal Combustion Engine Gas Service						
Basic Service Charge	\$25.00					\$25.00
Cost per Therm	\$ .18581	\$ .14784	\$ .33365	\$ .00166 \$ .11505	\$ .21486	\$ .66522
GS-LUZ-Solar Electric Generation Gas Service Basic Service Charge	- \$50.00					
Cost per Therm	·	\$ .00176	\$ .05514	\$ .00166		\$50.00 \$ .05680
oss. ps. mom	Ψ .00000	Ψ.00170	Ψ .05514	Φ .00100		\$ .050c0 ¢
GS-66-Core Small Electric Power Generation  Gas Service						
Basic Service Charge	\$25.00					\$25.00
Cost per Therm	\$ .26781	\$ .14784	\$ .41565	\$ .00166	\$ .21486	\$ .63217
GS-70-Noncore General Gas Transportation Service						
Basic Service Charge	\$100.00					\$100.00
Transportation Service Charge	\$780.00					\$780.00
Cost per Therm	\$ .13597	\$ .04822	\$ .18419	\$ .00166 \$ .11505		\$ .30090
GS-VIC City of Victorville Gas Service						
Basic Service Charge	\$11.00					\$ 11.00
Transportation Service Charge Cost per Therm	\$780.00 \$ .37960	£ 44704	¢ 50744	f 00400	0.04400	\$780.00
Cost per mem	\$ .37960	\$ .14784	\$ .52744	\$ .00166	\$ .21486	\$ .74396
TFF-Transportation Franchise Fee Surcharge Provision						
TFF Surcharge per Therm						\$ .00234
						,
TDS – Transportation Distribution System						
Shrinkage Charge	-					
TDS Charge per Therm						\$ .00163
MHPS-Master-Metered Mobile Home Park						1
Safety Inspection Provision						
MHPS Surcharge per Space per Month	•					\$ .21000
•						,

		Issued by	Date Filed	April 20, 2018
Advice Letter No	<u> 1055-A</u>	Justin Lee Brown	Effective	
Decision No		Vice President	Resolution No.	

## SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling [

54th Revised Cal. P.U.C. Sheet No. \_\_

52nd/53rd Revised Cal. P.U.C. Sheet No.

67 67

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# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]

[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 0.76%. 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] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

	GS-10, GS-11, GS-35, GS-12, GS-40, GS-15, GS-50, GS-20, GS-60, GS-25 GS-66	GS-70	 GS-VIC	GS	S-LUZ_
Upstream Intrastate Charges					
Storage	\$ .01157		\$ .01157		
Variable	.03932	\$ .03932	.03932		
Upstream Interstate Reservation Charges	.05352		.05352		
IRRAM Surcharge	.00000	.00000			
Balancing Account Adjustments					
FCAM*	.03629	.00176	.03629	\$	.00176
ITCAM	.00611	.00611	.00611		
GHGBA*					
Non-Covered Entities					
Covered Entities					
NERBA	.00032	.00032	.00032		
NGLAPBA	.00071	.00071	.00071		
Total Rate Adjustment	\$ .14784	\$ .04822	\$ .14784	\$	.00176

<sup>\*</sup> The FCAM surcharge includes an amount of \$.00176 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

Advice Letter No. 1055-A

Decision No. 1055-A

Issued by
Justin Lee Brown
Vice President

Date Filed \_\_\_\_\_April 20, 2018
Effective \_\_\_\_
Resolution No. \_\_\_\_

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<sup>\*\*</sup> 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).

Canceling

103rd Revised Cal. P.U.C. Sheet No. \_\_\_\_93rd/102nd Revised Cal. P.U.C. Sheet No. \_\_\_\_

## STATEMENT OF RATES

#### RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

								ı
		Charges [3]						1
		and	Subtotal Gas	Other Su	<u>ırcharges</u>		Effective	ı
Schedule No. and Type of Charge	Margin	Adjustments	Usage Rate	CPUC	PPP	Gas Cost	Sales Rate	_
GN-10-Residential Gas Service								1
Basic Service Charge	 \$5.00						\$5.00	1
Cost per Therm	Ψ 5.00						φ 5.00	ı
Baseline Quantities	\$ .75614	\$ .11476	\$ .87090	\$ .00166	\$ .02841	\$ .20441	\$1.10538	L
Tier II	.86695	.11476	.98171	.00166	.02841	.20441	1.21619	li
				.00100	.02011	.20 1-11	1.21010	Ι'
GN-12-CARE Residential Gas Service	_							
Basic Service Charge	\$4.00						\$4.00	ı
Cost per Therm								ı
Baseline Quantities	\$ .54108	\$ .11476	\$ .65584	\$ .00166	\$ .01587	•	\$ .87778	
Tier II	.62973	.11476	.74449	.00166	.01587	.20441	.96643	[1
GN-15-Secondary Residential Gas Service								
Basic Service Charge	\$6.00						\$6.00	ı
Cost per Therm	\$ .90881	\$ .11476	\$1.02357	\$ .00166	\$ .02841	\$ .20441	\$1.25805	h
	Ψ .00001	Ψ	Ψ 1.02001	Ψ.00100	Ψ .020+1	Ψ .20441	Ψ 1.23003	Ι'
GN-20-Multi-Family Master-Metered Gas								
Service	_							
Basic Service Charge	\$25.00						\$25.00	1
Cost per Therm								l
Baseline Quantities	\$ .75614	\$ .11476	\$ .87090	\$ .00166	\$ .02841	\$ .20441	\$1.10538	1
Tier II	.86695	.11476	.98171	.00166	.02841	.20441	1.21619	П
GN-25-Multi-Family Master-Metered Gas								l
Service-Submetered								
Basic Service Charge	\$25.00						\$25.00	
Cost per Therm	Ψ20.00						φ25.00	ı
Baseline Quantities	\$ .75614	\$ .11476	\$ .87090	\$ .00166	\$ .02841	\$ .20441	\$1,10538	h
Tier II	.86695	.11476	.98171	.00166	.02841	.20441	1.21619	Ιi
Submetered Discount per Occupied Space	(\$11.01)			100100	.020	.20	(\$11.01)	Ι.
	,						(4 / ///	
GN-35-Agriculture Employee Housing &								
Nonprofit Group Living Facility Gas Service								ı
Basic Service Charge	\$ 8.80						\$ 8.80	ı
Cost per Therm	n 40550	0 44470						١.
First 100 Next 500	\$ .43552	\$ .11476	\$ .55028	\$ .00166	\$ .01587		\$ .77222	!
Next 2,400	.33476 .23667	.11476	.44952	.00166	.01587	.20441	.67146	I!
Over 3,000	.08931	.11476 .11476	.35143 .20407	.00166 .00166	.01587 .01587	.20441	.57337	1!
Over 5,000	.00531	.11470	.20407	.00100	.01567	.20441	.42601	۱'
GN-40-Core General Gas Service								ı
Basic Service Charge	\$11.00						\$11.00	ı
Transportation Service Charge	\$780.00						\$780.00	1
Cost per Therm								ĺ
First 100	\$ .62419	\$ .11476	\$ .73895	\$ .00166	\$ .02841	\$ .20441	\$ .97343	1
Next 500	.49824	.11476	.61300	.00166	.02841	.20441	.84748	1
Next 2,400	.37563	.11476	.49039	.00166	.02841	.20441	.72487	H.
Over 3,000	.19143	.11476	.30619	.00166	.02841	.20441	.54067	ш
GN-50-Core Natural Gas Service for Motor								
Vehicles								
Basic Service Charge	\$25.00						\$25.00	
Cost per Therm	\$ .10425	\$ .11476	\$ .21901	\$ .00166	\$ .02841	\$ 20441	\$ .45349	1
•					J	=v::1	\$55.15	Ι'
								1

		Issued by	Date Filed	April 20, 2018
Advice Letter No	1055-A	Justin Lee Brown	Effective	
Decision No		Vice President	Resolution No	•

Canceling \_\_\_\_

105th Revised 95th/104th Revised

Cal. P.U.C. Sheet No. \_ Cal. P.U.C. Sheet No.

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#### 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		charges PPP	Gas Cost	Effective Sales Rate
GN-60-Core Internal Combustion Engine Gas Service							
Basic Service Charge Cost per Therm	\$ 25.00 \$ .29193	\$ .11476	\$ .40669	\$ .00166 \$	\$ .02841	\$ .20441	\$ 25.00 \$ .64117
GN-66-Core Small Electric Power Generation Gas Service							
Basic Service Charge Cost per Therm	\$ 25.00 \$ .28373	\$ .11476	\$ .39849	\$ .00166		\$ .20441	\$ 25.00 \$ .60456
GN-70-Noncore General Gas Transportation Service	21						
Basic Service Charge Transportation Service Charge Cost per Therm	\$ 100.00 \$ 780.00 \$ .17550	(\$ .12379)	\$ .05171	\$ .00166 \$	\$ .02841		\$ 100.00 \$ 780.00 \$ .08178
TFF-Transportation Franchise Fee Surcharge Provision	-	•					,
TFF Surcharge per Therm TDS – Transportation Distribution System Shrinkage Charge							\$ .00255
TDS Charge per Therm							\$ .00114
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision	_						
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:

GN-10. GN-35

	GN-12, GN-15,	GN-40, GN-50,	
<b>-</b>	GN-20,	GN-60,	
Charges and Adjustments Description	GN-25,	GN-66	GN-70
Upstream Interstate Charges			
Storage	\$ .02	077	
Reservation	.26	515	
IRRAM Surcharge	.00	000	\$ .00000
Balancing Account Adjustments			•
FCAM*	(.17)	220)	(.12483)
GHGBA**		/	(**=***)
Non-Covered Entities			
Covered Entities			
NERBA	.00	035	.00035
NGLAPBA		069	.00069
Total Rate Adjustment	\$ .114	476	(\$ .12379)

<sup>\*</sup> The FCAM surcharge includes an amount of (\$.12483) per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

	Issued by	Date Filed April 20, 2018
Advice Letter No. 1055-A	Justin Lee Brown	Effective
Decision No	Vice President	Resolution No

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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).

Canceling \_

70th Revised Cal. P.U.C. Sheet No.

60th/69th Revised Cal. P.U.C. Sheet No.

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#### STATEMENT OF RATES RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

		C	harges [2]											
			and		ibtotal Gas		Other Su	urch	arges			Е	ffective	Ĺ
Schedule No. and Type of Charge	_ Margin	Ac	djustments	U	sage Rate		CPUC		PPP	G	as Cost	Sa	les Rate	
SLT-10-Residential Gas Service	_													l
Basic Service Charge	\$5.00											\$5	.00	ı
Cost per Therm														
Baseline Quantities	\$ .33324	\$	.21989	\$	.55313	\$	.00166	\$		\$	.20441	\$	.78761	ĺ
Tier II	.42078		.21989		.64067		.00166		.02841		.20441		.87515	ĺ
SLT-12-CARE Residential Gas Service														
Basic Service Charge	\$4.00											\$4	.00	
Cost per Therm												-		ı
Baseline Quantities	\$ .18173	\$	.21989	\$	.40162	\$	.00166	\$	.01587	\$	.20441	\$	.62356	ı
Tier II	.25176		.21989		.47165		.00166		.01587		.20441		.69359	ı
SLT-15-Secondary Residential Gas Service														
Basic Service Charge	\$6.00											\$6	.00	
Cost per Therm	\$ .46121	\$	.21989	\$	.68110	\$	.00166	\$	.02841	\$	.20441		.91558	L
SLT-20-Multi-Family Master-Metered Gas	*	*		•		•	100100	•	.02011	•	.20 1 1 1	Ψ	.01000	ľ
Service														ĺ
Basic Service Charge	- \$11.00											\$1.	1.00	ĺ
Cost per Therm	<b>4</b> 11.00											ΨΙ	1.00	ı
Baseline Quantities	\$ .33324	\$	.21989	\$	.55313	\$	.00166	\$	.02841	\$	.20441	\$	.78761	h
Tier II	.42078	•	.21989	_	.64067	•	.00166	•	.02841	•	.20441	•	.87515	li
SLT-25-Multi-Family Master-Metered Gas									.020		.20 111		.01010	Γ
Service-Submetered														
Basic Service Charge	\$11.00											\$11	1.00	
Cost per Therm	•											Ψ.		
Baseline Quantities	\$ .33324	\$	.21989	\$	.55313	\$	.00166	\$	.02841	S	.20441	\$	.78761	h
Tier II	.42078		.21989		.64067		.00166	·	.02841		.20441		.87515	
Submetered Discount per Occupied Space	(\$7.69)											(\$ 7	7.69)	
SLT-35-Agriculture Employee Housing &												-		
Nonprofit Group Living Facility Gas Service	_													
Basic Service Charge	\$ 8.80											\$8	.80	
Cost per Therm														
First 100	\$ .27182	\$	.21989	\$	.49171	\$	.00166	\$	.01587	\$	.20441	\$ .	.71365	1
Next 500	.21832		.21989		.43821		.00166		.01587		.20441		.66015	ı
Next 2,400	.16481		.21989		.38470		.00166		.01587		.20441		.60664	П
Over 3,000	.07063		.21989		.29052		.00166		.01587		.20441		.51246	П
SLT-40-Core General Gas Service														
Basic Service Charge	\$11.00											\$11	1.00	
Transportation Service Charge	\$780.00												30.00	
Cost per Therm													=	
First 100	\$ .44585	\$	.21989	\$	.66574	\$	.00166	\$	.02841	\$	.20441	\$ .	90022	1
Next 500	.37897		.21989		.59886		.00166		.02841		.20441		83334	١
Next 2,400	.31209		.21989		.53198		.00166		.02841		.20441		76646	١
Over 3,000	.19436		.21989		.41425		.00166		.02841		.20441		64873	١
SLT-50-Core Natural Gas Service for Motor Vehicles	_													ı
Basic Service Charge	\$11.00											\$11	.00	1
Cost per Therm	\$ .21501	\$	.21989	\$	.43490	\$	.00166	\$	.02841	\$	.20441			١
								-						

	Issued by	Date FiledApril 20, 2018
Advice Letter No. 1055-A	Justin Lee Brown	Effective
Decision No	Vice President	Resolution No.

California Gas Tariff

105th Revised Cal. P.U.C. Sheet No. 95th/104th Revised Cal. P.U.C. Sheet No.

## STATEMENT OF RATES

Canceling \_

# RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

		Charges [2] and	Subtotal Gas	Other Surci	harges		Effective	
Schedule No. and Type of Charge	<u>Margin</u>	Adjustments	Usage Rate	CPUC	PPP	Gas Cost	Sales Rate	l
SLT-60-Core Internal Combustion Engine  Gas Service  Basic Service Charge  Cost per Therm	\$ 11.00 \$ .24467	\$ .21989	\$ .46456	\$ .00166 \$	.02841	\$ .20441	\$ 11.00 \$ .69904	
SLT-66-Core Small Electric Power Generation  Gas Service						•	*	
Basic Service Charge Cost per Therm	\$ 11.00 \$ .24467	\$ .21989	\$ .46456	\$ .00166		\$ .20441	\$ 11.00 \$ .67063	
SLT-70-Noncore General Gas Transportation Service								
Basic Service Charge Transportation Service Charge Cost per Therm	\$ 100.00 \$ 780.00 \$ .17842	(\$ .01866)	\$ .15976	\$ .00166 \$	.02841		\$ 100.00 \$ 780.00 \$ .18983	
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm TDS-Transportation Distribution System Shrinkage Charge							\$ .00255	
TDS Charge per Therm							\$ .00114	l
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision MHPS Surcharge per Space per Month							£ 34000	
——————————————————————————————————————							\$ .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:

	SL	_T-10, _T-12, _T-15.	SLT-35, SLT-40, SLT-50.		
		T-20,	- · · · •		
Charges and Adjustments Description	SL	T-25,	SLT-66		SLT-70
Upstream Interstate Charges				_	
Storage	\$	.020	77		
Reservation		.265	15		
IRRAM Surcharge		.000	00	\$	.00000
Balancing Account Adjustment					
FCAM *	(	.066	73)	(	.01936)
GHGBA			•	•	•
Non-Covered Entities					
Covered Entities					
NERBA		.000	19		.00019
NGLAPBA		.000	<u>51</u>		.00051
Total Rate Adjustment	\$	.219	39	(\$	.01866)

<sup>\*</sup> The FCAM surcharge includes an amount of (\$.01936) per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

40=# 4	Issued by	Date Filed	April 20, 2018	
Advice Letter No. 1055-A	Justin Lee Brown	Effective		
Decision No	Vice President	Resolution No	•	_

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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. 1055-A Attachment A

2018-2019
Proposed Incremental Costs Forecasts
for Natural Gas Leak Abatement Program
26 Mandatory Best Practices

# ADVICE LETTER NO. 1055-A SUPPLEMENT ATTACHMENT A

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 2019<sup>(1)</sup> SOUTHERN CALIFORNIA SERVICE TERRITORY

# 8b	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)	2019	O & M (\$) 2018	.\$) 2019	A & G (\$)	Amortization Method/Commission Authorization
-	Compliance Plan	2		1	•	: 1		ı	
7	Methane GHG Policy	2		•	•	,	'		
က	Pressure Reduction Policy	2			•				
4	Project Scheduling Policy	CZ		•					
. ro	Methane Evacuation Procedures	2				•			
9	Methane Evacuation Work Orders Policy	2		-1	•	,			
7	Bundling Work Policy	2			,	•	,	٠	
89	Company Emergency Procedures	Q		1		•	•	•	
6	Recordkeeping	9			,		,	•	
10	Minimize Uncontrolled Natural Gas Emissions Training	02			_,			-	
1	Methane Emissions Minimization Policies Training	ON.		,	•		i a	,	
12	Knowledge Continuity Training Programs	2		•	•		•	•	
13	Performance Focused Training Programs	<u>Q</u>		-	•	,	,	•	
14	Formal Job Classifications (Exemption Allowed)	YES		•	,	•			
15	Gas Distribution Leak Surveys	9		•	•	1	•	,	
16	Special Leak Surveys	2			•	•	•	•	
17	Enhanced Methane Detection (Exemption Allowed)	YES		•		•	•	•	
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA	150,000	300,000	363,590	487,366	•	equal-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES			. •	. '			
20a	Quantification (Exemption Allowed)	YES		•	,	•		•	
20b	Geographic Tracking	2				•		•	
21	"Find it/Fix it"	2	NERBA	150,000	•			•	equal-cents-per-therm
22	Pipe Fitting Specifications (Exemption Allowed)	YES	NGLAPBA	. '		13.216	1		equal-cents-per-therm
23	Minimize Emissions from Operations, Maintenance and Other Activities	2	NERBA	31,000	31,000	'	,		equal-cents-per-therm
24	Dig-Ins/Public Education Program	2		. •	. '			•	
52	Dig-Ins/Company Standby Monitors	2				•	•	,	
56	Dig-Ins/Repeat Offenders	0	1	i	,	•	•		r F
	Total		<i>G</i>	331 000 &	331 000 \$	376 806 \$	A87 366		

<sup>11</sup> Incremental Cost Forecasts are not incluided for those BPs from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan.

# ADVICE LETTER NO. 1055-A SUPPLEMENT ATTACHMENT A

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 2019<sup>[1]</sup> NORTHERN CALIFORNIA SERVICE TERRITORY

## 8D	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$) 2018	2019	O&M(\$)	2019	A & G (\$)	Amortization Method/Commission Authorization
-	Compliance Plan	2		1				Īi a	
2	Methane GHG Policy	2		•					
က	Pressure Reduction Policy	2		•		•		, ,	
4	Project Scheduling Policy	2		•	•	·			
2	Methane Evacuation Procedures	2			,	•	•		
9	Methane Evacuation Work Orders Policy	2			,		,	•	
7	Bundling Wark Policy	2		•	•		,	ı	
80	Company Emergency Procedures	2			•		,		
6	Recordkeeping	9		·	•	1	•		
10	Minimize Uncontrolled Natural Gas Emissions Training	9		•	<b>'</b>	1	_ '	_	
Ξ	Methane Emissions Minimization Policies Training	9			•			ı	
12	Knowledge Continuity Training Programs	<u>Q</u>					•	ŀ	
13	Performance Focused Training Programs	2			,		•	•	
14	Formal Job Classifications (Exemption Allowed)	YES		•			-1	1	
15	Gas Distribution Leak Surveys	2		,	ı		ı	•	
16	Special Leak Surveys	9				•	•		
11	Enhanced Methane Detection (Exemption Allowed)	YES		•			,	1	
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA	•		109.709	147.057	1	equal-cents-ner-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES		•					
20a	Quantification (Exemption Allowed)	YES		,	•			•	
20b	Geographic Tracking	Q.				•	,		
21	"Find it/Fix it"	2					,		
22	Pipe Fitting Specifications (Exemption Allowed)	YES				3.988	_'	•	
23	Minimize Emissions from Operations, Maintenance and Other Activities	9	NERBA	55,000	24.000	)	,		edital-cents-ner-therm
24	Dig-Ins/Public Education Program	Q		•	•			,	
22	Dig-Ins/Company Standby Monitors	Q		•	•		11	1	
56	Dig-Ins/Repeat Offenders	Q Q			-	1	1	•	
	Total		6	200			110 11	II	
	-000		7	* 000'cc	24,000	13,097	747,057	•	

<sup>[1]</sup> Incremental Cost Forecasts are not incluided for those BPs from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan.

# ADVICE LETTER NO. 1055-A SUPPLEMENT ATTACHMENT A

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR2018 and 2019<sup>11</sup> SOUTH LAKE TAHOE SERVICE TERRITORY

# #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$) 2018	) 2019	O & M (\$) 2018	2019	A & G (\$)	Amortization Method/Commission Authorization
_	Compliance Plan	9			,	1 ;		,	
2	Methane GHG Policy	9		•	,			•	
9	Pressure Reduction Policy	ON.						1	
4	Project Scheduling Policy	9		•	•			•	
2	Methane Evacuation Procedures	ON ON			•	1		•	
9	Methane Evacuation Work Orders Policy	Q Q		•				•	
7	Bundling Work Policy	8		1	,		•	,	
<b>&amp;</b>	Company Emergency Procedures	02				•	•	•	
6	Recordkeeping	2		•		•	•	٠	
10	Minimize Uncontrolled Natural Gas Emissions Training	9		•	,		•	•	
<del>=</del>	Methane Emissions Minimization Policies Training	9			•	1		,	
12	Knowledge Continuity Training Programs	9		1	•		•	1	
13	Performance Focused Training Programs	<u>Q</u>						ı	
14	Formal Job Classifications (Exemption Allowed)	YES		•					
15	Gas Distribution Leak Surveys	9			•				
16	Special Leak Surveys	2				•	•	•	
17	Enhanced Methane Detection (Exemption Allowed)	YES		•	1	•	•	•	
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA		•	90,700	121,577	٠	equal-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES			•	•			
20a	Quantification (Exemption Allowed)	YES		1	,	,	•	1	
20b	Geographic Tracking	9					1	1	
71	"Find it/Fix it"	9					•	1	
22	Pipe Fitting Specifications (Exemption Allowed)	YES			,	3,297		,	
23	Minimize Emissions from Operations, Maintenance and Other Activities	9	NERBA	24,000	55,000		•	•	equal-cents-per-therm
24	Dig-Ins/Public Education Program	9		•		•	•	•	
25	Dig-Ins/Company Standby Monitors	9					•	ı	
56	Dig-Ins/Repeat Offenders	9		•		1	-		
	Total		69	24.000 \$	55.000 \$	93.997 \$	121.577	•	
							<u>.</u>		

<sup>[1]</sup> Incremental Cost Forecasts are not incluided for those BPs from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan.

# Advice Letter No. 1055-A Attachment B

2018-2019 Revenue Requirement and Anticipated Rates

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTHERN CALIFORNIA SERVICE TERRITORY

Line							Line
No	Description	Best Practice	Percent		2018	2019	No.
	(a)	(b)	(c)		(d)	(e)	
1	"Find it/Fix it" Minimize Emissions from Operations,	21			150,000	0	1
2	Maintenance and Other Activities	23		_	31,000	31,000	2
3	Total Dollars			\$	181,000	31,000	3
4	Pre-Tax Return				10.80%	10.80%	4
5	Financing Cost			\$	19,550	3,348	5
6	Depreciation		3.61%	\$	6,534	1,119	6
7	Property Tax		1.20%	\$	2,166	371	7
8	Revenue Requirement Before Franchise			\$	28,250	4,838	8
9	Franchise Rate		1.15%	\$	325	56	9
10	Revenue Requirement After Franchise			\$	28,575	4,894	10
11	Applicable Volumes (therms)				90,085,988	90,085,988	11
12	NERBA Rate Applicable to all Rate Schedules Except GS-LUZ			\$	0.00032	\$ 0.00005	12

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTHERN CALIFORNIA SERVICE AREA

Line								Line
No.	Description	Best Practice	Percent		2018		2019	No.
	(a)	(b)	(c)		(d)		(e)	
1	Stationary Methane Detectors (Capital)	18		\$	150,000	\$	300,000	1
2	Stationary Methane Detectors (O&M)	18			363,590		487,366	2
3	Pipe Fitting Specifications (O&M)	22			13,216		0	3
4	Total Dollars			\$	526,806	\$	787,366	4
5	Pre-Tax Return			_	10.80%		10.80%	5
6	Financing Cost			\$	56,901	\$	85,045	6
7	Depreciation [1]		2.86%	\$	4,290	\$	8,580	7
8	Property Tax [2]		1.20%	\$	1,795	\$	3,590	8
9	Revenue Requirement Before Franchise			\$	62,986	\$	97,215	9
10	Franchise Rate		1.15%	\$	725	.\$_	1,119	10
11	Revenue Requirement After Franchise			\$_	63,711	\$_	98,333	11
12	Applicable Volumes (therms)				90,085,988		90,085,988	12
13	NGLAPBA Rate Applicable to all Rate Schedules Except GS-LUZ			\$	0.00071		\$ 0.00109	13

<sup>[1]</sup> Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

<sup>[2]</sup> Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description	Best Practice	Percent		2018	2019	Line No.
	(a)	(b)	(c)		(d)	(e)	110.
	Minimize Emissions from Operations,						
1	Maintenance and Other Activities	23		\$	55,000	24,000	1
2	Total Dollars			<b>\$</b> —	55,000	24,000	2
3	Pre-Tax Return				12.14%	12.14%	3
4	Financing Cost			\$	6,677	2,914	4
5	Depreciation		3.82%	\$	2,101	917	5
6	Property Tax		1.33%	\$	731	319	6
7	Revenue Requirement Before Franchise			\$	9,509	4,149	7
8	Franchise Rate		1.29%	\$	123	54	8
9	Revenue Requirement After Franchise			\$	9,632	4,203	9
10	Applicable Volumes (therms)				27,182,452	27,182,452	10
11	NERBA Rate Applicable to all Rate Schedules			\$	0.00035	\$ 0.00015	11

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description	Best Practice	Percent		2018		2019	Line No.
	(a)	(b)	(c)		(d)	-	(e)	
1 2 3	Stationary Methane Detectors Pipe Fitting Specifications (O&M) Total Dollars	18 22		\$ _	109,709 3,988 113,697		147,057 0 147,057	1 2 3
4	Pre-Tax Return				12.14%	_	12.14%	4
5	Financing Cost			\$	13,802	\$	17,852	5
6	Depreciation [1]		2.97%	\$	3,258	\$	4,368	6
7	Property Tax [2]		1.33%	\$	1,458	\$	1,954	7
8	Revenue Requirement Before Franchise			<b>\$</b>	18,519	\$	24,174	8
9	Franchise Rate		1.29%	\$	239	.\$_	312_	9
10	Revenue Requirement After Franchise			\$	18,758	\$_	24,487	10
11	Applicable Volumes (therms)				27,182,452		27,182,452	11
12	NGLAPBA Rate Applicable to all Rate Schedules			\$	0.00069		\$ 0.00090	12

<sup>[1]</sup> Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

<sup>[2]</sup> Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTH LAKE TAHOE SERVICE AREA

Line No.	Description	Best Practice	Percent		2018	2019	Line No.
	(a)	(b)	(c)		(d)	(e)	
	Minimize Emissions from Operations,						
1	Maintenance and Other Activities	23			24,000	55,000	1
2	Total Dollars			<b>\$</b>	24,000	55,000	2
3	Pre-Tax Return			_	12.14%	12.14%	3
4	Financing Cost			\$	2,914	6,677	4
5	Depreciation		3.82%	\$	917	2,101	5
6	Property Tax		1.40%	\$	337	771	6
7	Revenue Requirement Before Franchise			<b>\$</b>	4,167	9,549	7
8	Franchise Rate		1.29%	\$	54	123	8
9	Revenue Requirement After Franchise			\$_	4,221	9,673	9
10	Applicable Volumes (therms)				22,472,566	22,472,566	10
11	NERBA Rate Applicable to all Rate Schedules			\$	0.00019	\$ 0.00043	11

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTH LAKE TAHOE SERVICE AREA

Line							Line
No.	Description	Best Practice	Percent	 2018		2019	No.
	(a)	(b)	(c)	(d)		(e)	
1	Stationary Methane Detectors (Capital)	18		\$ 0	\$	0	1
2	Stationary Methane Detectors (O&M)	18		90,700		121,577	2
3	Pipe Fitting Specifications (O&M)	22		3,297		0	_
4	Total Dollars			\$ 93,997	\$	121,577	4
5	Pre-Tax Return			12.14%		12.14%	5
6	Financing Cost			\$ 11,411	\$	14,759	6
7	Depreciation [1]		2.97%	\$ 0	\$	0	7
8	Property Tax [2]		1.40%	\$ 0	\$	0	8
9	Revenue Requirement Before Franchise			\$ 11,411	\$	14,759	9
10	Franchise Rate		1.29%	\$ 147	\$_	191	10
11	Revenue Requirement After Franchise			\$ 11,558	\$_	14,950	11
12	Applicable Volumes (therms)			22,472,566		22,472,566	12
13	NGLAPBA Rate Applicable to all Rate Schedules			\$ 0.00051	;	\$ 0.00067	13

<sup>[1]</sup> Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

<sup>[2]</sup> Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.



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. 1055

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1055, together with California Gas Tariff Sheet Nos. 65 - 71.

Sincerely,

Valerie J. Ontiveroz

Regulatory Manager/California

VJO

**Enclosures** 



Advice Letter No. 1055

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:

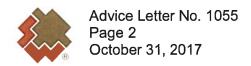
Cal. P.U.C. Sheet No.	California Gas Tariff  Title of Sheet	Canceling Cal. P.U.C. Sheet No.
95th Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	94th Revised Sheet No. 65
96th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	95th Revised Sheet No. 66
52nd Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	51st Revised Sheet No. 67
93rd Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	92nd Revised Sheet No. 68
95th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	94th Revised Sheet No. 69
60th Revised Sheet No. 70	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	59th Revised Sheet No. 70
95th Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	94th Revised Sheet No. 71

### **Purpose**

The purpose of this filing is to establish Southwest Gas' 2018 and 2019 ratemaking forecasts and caps for the Natural Gas Leak Abatement Program Best Practices in compliance with Ordering Paragraph (OP) 10 in Decision (D.) 17-06-015.

### Background

On January 22, 2015, the Commission opened Order Instituting Rulemaking 15-01-008 to implement the provisions of Senate Bill (SB) 1371. SB 1371 requires the adoption of rules and procedures to minimize natural gas leakage from Commission-regulated natural gas pipeline facilities consistent with Public Utilities (PU) Code § 961(d), Title 49 of the Code of Federal Regulations §192.703(c), the Commission's General Order (GO) 112-F, and the



State of California's goal of reducing greenhouse gas (GHG) emissions. SB 1371, which became effective January 1, 2015, added Article 3 to Chapter 4.5 "Gas Pipeline Safety" of the PU Code and consists of §§ 975, 977 and 978. In accordance with the PU Code, D.17-06-015 was issued on June 19, 2017, and establishes best practices and reporting requirements for the Commission's Natural Gas Leak Abatement Program to minimize natural gas emissions from California's regulated transmission and distribution gas systems. D.17-06-015 implements the following:

- 1. Annual reporting for tracking methane emissions;
- 2. Twenty-six mandatory best practices for minimizing methane emissions pertaining to policies and procedures, recordkeeping, training, experienced trained personnel, leak detection, leak repair, and leak prevention;
- 3. Biennial compliance plan incorporated into the utilities' annual Gas Safety Plans, beginning in March 2018;
- 4. Cost recovery process to facilitate Commission review; and
- 5. Incremental expenditures to implement best practices and Pilot Programs and Research & Development.<sup>1</sup>

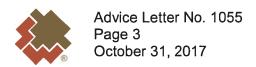
## Additionally, pursuant to OP 10:

On or prior to October 31, 2017, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation shall each file a Tier 3 Advice Letter to provide the following to establish 2018 and 2019 ratemaking forecasts and caps for the Natural Gas Leak Abatement Program:

- a) Identify the costs for incremental costs associated with each individual Best Practice, Pilot Projects and Research & Development (R&D), broken down by type of expenditure including capital, operations and maintenance, and administrative.
- b) Provide the justifications consistent with the criteria to evaluate Pilot Projects and R&D in [PU] Code § 740.1.
- c) The proposed allocation methodology for amortization of the account and the corresponding Commission decision authorizing the allocation methodology.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> D.17-06-015, at p. 2.

<sup>&</sup>lt;sup>2</sup> ld. at p.161-162.



The twenty-six mandatory methane best practices (BPs) are included in Appendix B to D.17-06-015 and are categorized as follows:

- Policies and Procedures (BPs 1 through 8);
- Recordkeeping (BP 9);
- Training (BPs 10 through 14);
- Leak Detection (BPs 15 through 20);
- Leak Repair (BP 21); and
- Leak Prevention (BPs 22 through 26).

The Commission structured utilities into three classes ("A", "B", or "C") based on the utilities total annual methane emissions and "...to guide the applicability of best practices and use of Pilot Projects and Research and Development (R&D) and exemptions."3 Class B and C utilities may request exemptions from certain BPs subject to the Safety and Enforcement Division's review and approval. Southwest Gas is a Class B utility.

### 2018 and 2019 Incremental BP Cost Forecasts

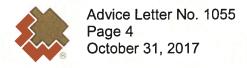
Attached as Attachment A are Southwest Gas' proposed costs for the relevant BPs, including Pilot Projects and R&D. Southwest Gas utilized the template provided by the Energy Division to breakdown its costs by type of expenditure.

Utilizing the guidelines set forth in PU Code § 740.1, Southwest Gas is developing both a pilot project and an R&D program with respect to BP 18. The pilot project and proposed R&D will, at a minimum, support environmental improvement, as well as the development of new resources and processes. Southwest Gas believes that these proposals will allow the Company to thoroughly evaluate the use and effectiveness of stationary methane leak detectors in reducing regulator station emissions. Further, Southwest Gas does not anticipate its R&D proposal will unnecessarily duplicate research currently, previously or imminently undertaken by other entities.

Attachment B sets forth the applicable revenue requirement and anticipated rate for each of Southwest Gas' California service territories. Southwest Gas proposes to recover its incremental BP costs on an equal-cents-per-therm basis.4 This is the same methodology approved by the Commission in D.14-03-021 (Mobilehome Park Utility Upgrade Program conversion costs) and D.15-10-032 (Greenhouse Gas compliance costs).

<sup>&</sup>lt;sup>3</sup> Id. at OP 6(b), p. 159-160.

<sup>&</sup>lt;sup>4</sup> Southwest Gas Advice Letter No. 1042 (as supplemented), was approved effective July 14, 2017, and established the New Environmental Regulatory Balancing Account (NERBA), Natural Gas Leak Abatement Program Memorandum Account (NGLAPMA) and Natural Gas Leak Abatement Program Balancing Account (NGLAPBA).



### **Effective Date**

Pursuant to OP 10 in D.17-06-015, this Advice Letter is classified as Tier 3, effective after Commission approval, pursuant to GO 96-B. Southwest Gas respectfully requests this Advice Letter be approved November 30, 2017, with rates effective January 1, 2018.

### **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 Facsimile: 415-703-2200

E-mail: edtariffunit@cpuc.ca.gov

Email: justin.brown@swgas.com

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:

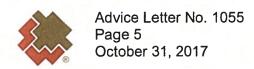
Mr. Justin Lee Brown Vice President/Regulation & Public Affairs Southwest Gas Corporation P.O. Box 98510 Las Vegas, NV 89193-8510 Facsimile: 702-364-3452

## **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 this Advice Letter is being filed in compliance with OP 10 in D.17-06-015.

### **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

Respectfully submitted,

SOUTHWEST SAS CORPORATION

By:

Justin Lee Brown

Attachments

## **Distribution List**

Advice Letter No. 1055

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 Utilties 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
<a href="mailto:nws@cpuc.ca.gov">nws@cpuc.ca.gov</a>

Pearlie Sabino
Office of Ratepayer Advocates
California Public Utilities Commission
pzs@cpuc.ca.gov

California Gas Tariff

	95th Revised Cal. P.U.C. Sheet No.	_65
Canceling	94th Revised Cal. P.U.C. Sheet No.	65

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

		Charges [2]					
Schedule No. and Type of Charge	Margin	and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC PPP	Gas Cost	Effective Sales Rate	
GS-10-Residential Gas Service		<u> </u>					
Basic Service Charge	\$5.00					¢ = 00	
Cost per Therm	Ψ 5.00					\$5.00	
Baseline Quantities	\$ .69366	\$ .12792	\$ .82158	\$ .00139 \$ .14256	\$ .27229	\$1.23782	1
Tier II	\$ .86493	.12792	.99285	.00139 .14256	.27229	1.40909	ì
1	Ψ .00 .00		.00200	.00100 .14200	.Z/ZZJ	1.40505	•
GS-11-Residential Air-Conditioning Gas Service							
Basic Service Charge	\$5.00					\$5.00	
Cost per Therm Tier I	\$ .69366	<b>ድ</b> 42702	\$ .82158	£ 00420 £ 44050	£ 07000	£4.00700	1
Tier II	ъ .69366 .86493	\$ .12792 .12792	\$ .82158 .99285	\$ .00139 \$ .14256	\$ .27229	\$1.23782	1
Air-Conditioning	.00493	.12792	.99285 .47475	.00139 .14256	.27229	1.40909	1
	Φ .34003	.12/92	.47475	.00139 .14256	.27229	.89099	١
GS-12-CARE Residential Gas Service						i	
Basic Service Charge	\$4.00					\$4.00	
Cost per Therm							
Baseline Quantities	\$ .47489	\$ .12792	\$ .60281	\$ .00139 \$ .01755	\$ .27229	\$ .89404	1
Tier II	.61190	.12792	.73982	.00139 .01755	.27229	\$1.03105	ı
GS-15-Secondary Residential Gas Service						ĺ	
Basic Service Charge	\$6.00					\$6.00	
Cost per Therm	\$1.06499	\$ .12792	\$1.19291	\$ .00139 \$ .14256	\$ .27229	\$1.60915	1
GS-20-Multi-Family Master-Metered Gas Service							
Basic Service Charge	\$25.00					\$25.00	
Cost per Therm	Ψ20.00					Ψ23.00	
Baseline Quantities	\$ .69366	\$ .12792	\$ .82158	\$ .00139 \$ .14256	\$ .27229	\$1.23782	1
Tier II	.86493	.12792	.99285	.00139 .14256	.27229	1.40909	i
GS-25 -Multi-Family Master-Metered Gas							
Service-Submetered							
Basic Service Charge	\$25.00					\$25.00	
Cost per Therm	,					7_0.00	
Baseline Quantities	\$ .69366	\$ .12792	\$ .82158	\$ .00139 \$ .14256	\$ .27229	\$1.23782	ī
Tier II	.86493	.12792	.99285	.00139 .14256	.27229		Ĺ
Submetered Discount per Occupied Space	(\$7.69)					(\$7.69)	
GS-35-Agriculture Employee Housing & Nonprofit	,					,,	
Group Living Facility Gas Service							
Basic Service Charge	\$8.80					\$8.80	
Cost per Therm						,	
First 100	\$ .41514	\$ .12792	\$ .54306	\$ .00139 \$ .01755	\$ .27229	\$ .83421	1
Next 500	.28497	.12792	.41289	.00139 .01755	.27229	.70404	ĺ
Next 2,400	.18083	.12792	.30875	.00139 .01755	.27229	.59990	ı
Over 3,000	.06093	.12792	.18885	.00139 .01755	.27229	.48000	
GS-40-Core General Gas Service						- 1	
Basic Service Charge	\$11.00					\$11.00	
Transportation Service Charge	\$780.00					\$780.00	
Cost per Therm	J. 22100					7.00.00	
First 100	\$ .61888	\$ .12792	\$ .74680	\$ .00139 \$ .14256	\$ .27229	\$1.16304	ı
Next 500	\$ .45617	.12792	.58409	.00139 .14256	.27229	1.00033	i
Next 2,400	\$ .32599	.12792	.45391	.00139 .14256	.27229	.87015	İ
Over 3,000	\$ .17612	.12792	.30404	.00139 .14256	.27229	.72028	İ
						ŀ	

# SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling \_

96th Revised Cal. P.U.C. Sheet No. \_\_\_\_\_95th Revised Cal. P.U.C. Sheet No.

66 66

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC PPP	Gas Cost	Effective Sales Rate
GS-50-Core Natural Gas Service for Motor						
Vehicles						
Basic Service Charge	\$25.00					\$25.00
Cost per Therm	\$ .12183	\$ .12792	\$ .24975	\$ .00139 \$ .14256	\$ .27229	\$ .66599
GS-60-Core Internal Combustion Engine Gas Service	_					
Basic Service Charge	\$25.00					\$25.00
Cost per Therm	\$ .18132	\$ .12792	\$ .30924	\$ .00139 \$ .14256	\$ .27229	\$ .72548
GS-LUZ-Solar Electric Generation Gas Service	_					
Basic Service Charge	\$50.00					\$50.00
Cost per Therm	\$ .05217	\$ .00133	\$ .05350	\$ .00139		\$ .05489
GS-66-Core Small Electric Power Generation Gas Service						
Basic Service Charge	\$25.00					\$25.00
Cost per Therm	\$ .26205	\$ .12792	\$ .38997	\$ .00139	\$ .27229	\$ .66365
GS-70-Noncore General Gas Transportation Service						
Basic Service Charge	\$100.00					\$100.00
Transportation Service Charge	\$780.00					\$780.00
Cost per Therm	\$ .13261	\$ .03796	\$ .17057	\$ .00139 \$ .14256		\$ .31452
GS-VIC City of Victorville Gas Service						
Basic Service Charge	\$11.00					\$ 11.00
Transportation Service Charge	\$780.00					\$780.00
Cost per Therm	\$ .37077	\$ .12792	\$ .49869	\$ .00139	\$ .27229	\$ .77237
TFF-Transportation Franchise Fee Surcharge Provision						
TFF Surcharge per Therm	-					\$ .00326
TDS – Transportation Distribution System						
Shrinkage Charge						
TDS Charge per Therm	-					\$ .00207
MHPS-Master-Metered Mobile Home Park						
Safety Inspection Provision	_					ľ
MHPS Surcharge per Space per Month						\$ .21000

	Issued by	Date FiledOctober 31, 2017
Advice Letter No. 1055	Justin Lee Brown	Effective
Decision No	Vice President	Resolution No.

P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff

52nd Revised	Cal. P.U.C. Sheet No	67
51st Revised	Cal. P.U.C. Sheet No.	67

Т

# STATEMENT OF RATES RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]

[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 0.76%. 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] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Canceling \_

	 GS-12, GS GS-15, GS GS-20, GS	-35, -40, -50, -60, 3-66		GS-70		GS-VIC	_GS	S-LUZ
Upstream Intrastate Charges								
Storage	\$ .01250				\$	.01250		
Variable	.04453		\$	.04453		.04453		
Upstream Interstate Reservation Charges	.07212					.07212		
IRRAM Surcharge	.00000			.00000		.00000		
Balancing Account Adjustments								
FCAM*	.00667			.00133		.00667	\$	.00133
ITCAM	( .00925)		(	.00925)	(	.00925)		
GHGBA*								
Non-Covered Entities								
Covered Entities								
NERBA	.00032			.00032		.00032		
NGLAPBA	.00103			.00103		.00103		
Total Rate Adjustment	\$ .12792	\$		.03796	\$	.12792	\$	.00133

<sup>\*</sup> The FCAM surcharge includes an amount of \$.00133 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

Advice Letter No. 1055 | Issued by Date Filed October 31, 2017 |

Decision No. Vice President Resolution No. \_\_\_\_\_\_

<sup>\*\*</sup> 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).

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling \_

93rd RevisedCal. P.U.C. Sheet No.6892nd RevisedCal. P.U.C. Sheet No.68

# STATEMENT OF RATES RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

								l
		Charges [3]						l
Only distants and Tourist Col		and	Subtotal Gas		urcharges		Effective	
Schedule No. and Type of Charge	Margin	Adjustments	Usage Rate	CPUC	PPP	Gas Cost	Sales Rate	
GN-10-Residential Gas Service								
Basic Service Charge	\$5.00						\$5.00	
Cost per Therm							•	
Baseline Quantities	\$ .73294	\$ .20107	\$ .93401	\$ .00139	\$ .02947	\$ .27019	\$1.23506	1
Tier II	.84375	.20107	1.04482	.00139	.02947	.27019	1.34587	
GN-12-CARE Residential Gas Service								
Basic Service Charge	\$4.00						\$4.00	
Cost per Therm	ψ 4.00						φ4.00	
Baseline Quantities	\$ .49210	\$ .20107	\$ .69317	\$ .00139	\$ .01755	\$ .27019	\$ .98230	lт
Tier II	.58075	.20107	.78182	.00139	.01755	.27019	1.07095	li
								ľ
GN-15-Secondary Residential Gas Service								l
Basic Service Charge	\$6.00						\$6.00	١.
Cost per Therm	\$ .88171	\$ .20107	\$1.08278	\$ .00139	\$ .02947	\$ .27019	\$ 1.38383	יו
GN-20-Multi-Family Master-Metered Gas								l
Service								ŀ
Basic Service Charge	\$25.00						\$25.00	l
Cost per Therm							•	ĺ
Baseline Quantities	\$ .73294	\$ .20107	\$ .93401	\$ .00139	\$ .02947	\$ .27019	\$1.23506	1
Tier II	.84375	.20107	1.04482	.00139	.02947	.27019	1.34587	1
GN-25-Multi-Family Master-Metered Gas								ļ
Service-Submetered								ĺ
Basic Service Charge	\$25.00						\$25.00	
Cost per Therm	Ψ25.00						φ23.00	
Baseline Quantities	\$ .73294	\$ .20107	\$ .93401	\$ .00139	\$ .02947	\$ .27019	\$1.23506	L
Tier II	.84375	.20107	1.04482	.00139	.02947	.27019	1.34587	Li
Submetered Discount per Occupied Space	(\$11.01)				.020	.2.0.0	(\$11.01)	
	,						(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
GN-35-Agriculture Employee Housing &								
Nonprofit Group Living Facility Gas Service	- 0.00							
Basic Service Charge	\$ 8.80						\$ 8.80	
Cost per Therm First 100	\$ .39181	\$ .20107	\$ .59288	\$ .00139	¢ 04766	¢ 07040	£ 00004	١.
Next 500	.29375	.20107	э .59200 .49482	.00139	\$ .01755 .01755	\$ .27019 .27019	\$ .88201 .78395	Ľ
Next 2,400	.19828	.20107	.39935	.00139	.01755	.27019	.68848	H
Over 3,000	.05150	.20107	.25257	.00139	.01755	.27019	.54170	H
								ľ
GN-40-Core General Gas Service								
Basic Service Charge	\$11.00						\$11.00	
Transportation Service Charge	\$780.00						\$780.00	
Cost per Therm	<b>A</b> 00740	A 00407	A 00055	0 00400	A 00047	A 07040	<b>6</b> 4 4 6 6 6 6	١.
First 100 Next 500	\$ .60748	\$ .20107	\$ .80855	\$ .00139	\$ .02947		\$1.10960	H
Next 2,400	.48490 .36557	.20107 .20107	.68597 .56664	.00139 .00139	.02947 .02947	.27019 .27019	.98702	
Over 3,000	.36337	.20107	.38316	.00139	.02947	.27019	.86769 .68421	H
	.10203	.20107	.00010	.501.55	.02371	.21013	.00721	Ι'
GN-50-Core Natural Gas Service for Motor								1
Vehicles	• •							
Basic Service Charge	\$25.00				_	_	\$25.00	
Cost per Therm	\$ .10134	\$ .20107	\$ .30241	\$ .00139	\$ .02947	\$ .27019	\$ .60346	
								1

		Issued by	Date Filed October 31, 2017	
Advice Letter No	1055	Justin Lee Brown	Effective	
Decision No		Vice President	Resolution No.	

Las Vegas, Nevada 89193-8510 California Gas Tariff Canceling 95th Revised 94th Revised

RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

Cal. P.U.C. Sheet No. \_\_ Cal. P.U.C. Sheet No.

69 69

# STATEMENT OF RATES

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surch	narges PPP	Gas Cost	Effective Sales Rate
GN-60-Core Internal Combustion Engine Gas Service						*	
Basic Service Charge Cost per Therm	\$ 25.00 \$ .28220	\$ .20107	\$ .48327	\$ .00139 \$	.02947	\$ .27019	\$ 25.00 \$ .78432
GN-66-Core Small Electric Power Generation Gas Service							
Basic Service Charge Cost per Therm	\$ 25.00 \$ .27613	\$ .20107	\$ .47720	\$ .00139		\$ .27019	\$ 25.00 \$ .74878
GN-70-Noncore General Gas Transportation Service							
Basic Service Charge Transportation Service Charge Cost per Therm	\$ 100.00 \$ 780.00 \$ .16986	(\$ .02641)	\$ .14345	\$ .00139 \$	.02947		\$ 100.00 \$ 780.00 \$ .17431
TFF-Transportation Franchise Fee Surcharge Provision TFF Surcharge per Therm	-						\$ .00357
TDS – Transportation Distribution System Shrinkage Charge							<b>V</b> 100001
TDS Charge per Therm							\$ .00151
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision							
MHPS Surcharge per Space per Month							\$ .21000

<sup>[1]</sup> 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.

[3] The Charges and Adjustments applicable to each tariff rate schedule includes the following components: GN-10. GN-35.

GN-12,	GN-40,	
<u>GN-25,</u>	GN-66	GN-70
		•
\$ .0:	2249	
.2:	2103	
.00000		\$ .00000
(.0	4368)	(.02764)
•	•	, ,
.0	0035	.00035
.0	8800	.00088
\$ .2	0107	(\$ .02641)
	GN-12, GN-15, GN-20, GN-25, S .0. (.0.	GN-12, GN-40, GN-15, GN-50, GN-20, GN-66  \$ .02249 .22103 .00000 (.04368)

<sup>\*</sup> 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.

	Issued by	Date Filed October 31, 2017
Advice Letter No. 1055	Justin Lee Brown	Effective
Decision No	Vice President	Resolution No.
	<del></del>	

<sup>[2]</sup> 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.

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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).

Las Vegas, Nevada 89193-8510 California Gas Tariff

Canceling

60th Revised Cal. P.U.C. Sheet No. \_\_\_

59th Revised Cal. P.U.C. Sheet No.

# STATEMENT OF RATES RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

			С	harges [2]											
	Schedule No. and Type of Charge	Margin	Λ.	and diustments		btotal Ga		Other Su	ırch		_	Ct		Effective	
	SLT-10-Residential Gas Service			ujustriiciits		sage Rate		CFUC		PPP		as Cost		ales Rate	ŀ
	Basic Service Charge	- \$5.00											•	F 00	
	Cost per Therm	φ 5.00											Ъ	5.00	l
	Baseline Quantities	\$ .32198	\$	.26667	¢	.58865	\$	.00139	\$	.02947	\$	.27019	\$	.88970	١,
Ì	Tier II	.40952	Ψ	.26667	Ψ	.67619	Ψ	.00139	Ψ	.02947	Φ	.27019	Φ	.97724	Ľ
ı	SLT-12-CARE Residential Gas Service					.01010		.00100		.02547		.27010		.31124	ľ
ı	Basic Service Charge	\$4.00											•	4.00	
l	Cost per Therm	<b>Φ</b> 4.00											\$	4.00	
ı	Baseline Quantities	\$ .15021	¢	.26667	¢	.41688	¢	.00139	æ	.01755	\$	.27019	dr.	70604	١
ı	Tier II	.22024	Ψ	.26667	Ψ	.48691	Ψ	.00139	Ψ	.01755	Φ	.27019	Φ	.77604	ľ
ı	SLT-15-Secondary Residential Gas Service			.20007		. 1000 1		.00100		.01700		.27013		.11004	Ι΄
Ì	Basic Service Charge	\$ 6.00											•	0.00	
ı	Cost per Therm	\$ .44620	æ	.26667	\$	.71287	œ	.00139	æ	02047	ď	27040	•	6.00	١,
ı	<b>'</b>	φ .44020	Φ	.20007	Φ	./ 120/	\$	.00139	\$	.02947	Ф	.27019	Ф	1.01392	'
ı	SLT-20-Multi-Family Master-Metered Gas Service														
I	Basic Service Charge	- \$11.00											•	11.00	
I	Cost per Therm	Ψ11.00											Ф	11.00	
ı	Baseline Quantities	\$ .32198	\$	.26667	\$	.58865	\$	.00139	\$	.02947	\$	.27019	¢	.88970	h
l	Tier !I	.40952	•	.26667	۳	.67619	Ψ	.00139	Ψ	.02947	Ψ	.27019	Ψ	.97724	ľ
I	SLT-25-Multi-Family Master-Metered Gas											.2.0.0		.07721	ľ
I	Service-Submetered														
ı	Basic Service Charge	\$11.00											\$1	11.00	
l	Cost per Therm												·		
l	Baseline Quantities	\$ .32198	\$	.26667	\$	.58865	\$	.00139	\$	.02947	\$	.27019	\$	.88970	1
Į	Tier II	.40952		.26667		.67619		.00139		.02947		.27019		.97724	1
İ	Submetered Discount per Occupied Space	(\$7.69)											(\$	7.69)	
I	SLT-35-Agriculture Employee Housing &														
I	Nonprofit Group Living Facility Gas Service	-													
l	Basic Service Charge	\$ 8.80											\$	8.80	
I	Cost per Therm	<b>#</b> 00004							_		_		_		
l	First 100 Next 500	\$ .23984	\$	.26667	\$	.50651	\$	.00139	\$	.01755	\$		\$	.79564	1
l	Next 2,400	.18777 .13570		.26667		.45444		.00139		.01755		.27019		.74357	
l	Over 3,000	.04188		.26667 .26667		.40237 .30855		.00139		.01755		.27019		.69150	
l	·	.04100		.20007		.30600		.00139		.01755		.27019		.59768	ı
l	SLT-40-Core General Gas Service	- #44.00													
l	Basic Service Charge Transportation Service Charge	\$11.00 \$780.00												11.00	
l	Cost per Therm	Φ760.00											\$1	780.00	
l	First 100	\$ .43392	\$	.26667	¢	.70059	\$	00120	æ	02047	æ	27010	œ.	1.00164	,
I	Next 500	.36883	Ψ	.26667	Ψ	.63550	Ψ	.00139	\$	.02947	Φ	.27019 .27019	Ф	.93655	i
l	Next 2,400	.30374		.26667		.57041		.00139		.02947		.27019		.87146	i
ı	Over 3,000	.18647		.26667		.45314		.00139		.02947		.27019		.75419	i
l	SLT-50-Core Natural Gas Service for Motor			<del>-</del> -		• •						5.0			•
l	Vehicles														
l	Basic Service Charge	\$11.00											\$1	1.00	
l	Cost per Therm	\$ .20921	\$	.26667	\$	.47588	\$	.00139	\$	.02947	\$	.27019			1
1															

		Issued by	Date FiledOCTO	ber 31, 2017
Advice Letter No	<u> 1055                                     </u>	Justin Lee Brown	Effective	
Decision No		Vice President	Resolution No	

California Gas Tariff

	95th Revised	Cal. P.U.C. Sheet No.	71
Canceling	94th Revised	Cal. P.U.C. Sheet No.	71

# STATEMENT OF RATES RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC PPP	Gas Cost	Effective Sales Rate
SLT-60-Core Internal Combustion Engine Gas Service Basic Service Charge Cost per Therm	\$ 11.00 \$ .23812	\$ .26667	\$ .50479	\$ .00139 \$ .02947	\$ .27019	\$ 11.00 \$ .80584
SLT-66-Core Small Electric Power Generation Gas Service Basic Service Charge Cost per Therm	\$ 11.00 \$ .23812	\$ .26667	\$ .50479	\$ .00139	\$ .27019	\$ 11.00 \$ .77637
SLT-70-Noncore General Gas Transportation Service Basic Service Charge Transportation Service Charge Cost per Therm	\$ 100.00 \$ 780.00 \$ .17267	\$ .03919	\$ .21186	\$ .00139 \$ .02947		\$ 100.00 \$ 780.00 \$ .24272
TFF-Transportation Franchise Fee Surcharge Provision TFF Surcharge per Therm						\$ .00357
TDS-Transportation Distribution System Shrinkage Charge TDS Charge per Therm MHPS-Master-Metered Mobile Home Park						\$ .00151
Safety Inspection Provision  MHPS Surcharge per Space per Month				_		\$ .21000

<sup>[1]</sup> 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:

	SL SL	T-10, T-12, T-15, T-20,	SLT-40, SLT-50,	
Charges and Adjustments Description		T-25,		SLT-70
Upstream Interstate Charges				 
Storage	\$	.022	49	
Reservation		.2210	03	
IRRAM Surcharge		.000	00	\$ .00000
Balancing Account Adjustment				
FCAM *		.0220	08	.03812
GHGBA				
Non-Covered Entities				
Covered Entities				
NERBA		.000	19	.00019
NGLAPBA		.000	88	.00088
Total Rate Adjustment	\$	.2666	37	\$ .03919

<sup>\*</sup> 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.

Advice Letter No. 1055	Issued by Justin Lee Brown	Date Filed October 31, 2017 Effective
Decision No.	Vice President	Resolution No.

<sup>\*\*</sup> Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Capand-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. 1055 Attachment A

2018-2019
Proposed Incremental Costs Forecasts
for Natural Gas Leak Abatement Program
26 Mandatory Best Practices

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 201\$\frac{9}{2}\] SOUTHERN CALIFORNIA SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$) 2018	) 2019	O & M (\$)	2019	A & G (\$)	Amortization Method/Commission Authorization
-	Compliance Plan	ON.		,	,	ı			
7	Methane GHG Policy	2			,	•		•	
9	Pressure Reduction Policy	2			•	,	,	1	
4	Project Scheduling Policy	2			•	,	,	•	
Ŋ	Methane Evacuation Procedures	Q.		•		,	•		
9	Methane Evacuation Work Orders Policy	9		•	,		•	1	
7	Bundling Work Policy	Q.			•		=	_•	
æ	Company Emergency Procedures	Q.			,		,	٠	
6	Recordkeeping	ON.			•		,	,	
5	Minimize Uncontrolled Natural Gas Emissions Training	ON N					,		
<b>+</b>	Methane Emissions Minimization Policies Training	Q.					•	•	
12	Knowledge Continuity Training Programs	ON		•	ı		,		
13	Performance Focused Training Programs	ON.						•	
14	Formal Job Classifications (Exemption Allowed)	YES		•			•	•	
15	Gas Distribution Leak Surveys	ON		•	ı		•		
16	Special Leak Surveys	ON N		,			,		
17	Enhanced Methane Detection (Exemption Allowed)	YES		•	•	•	•	•	
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA	150,000	150,000	644.664	644.664	•	equal-cents-ner-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES			. •	. •	'		
20a	Quantification (Exemption Allowed)	YES		,		•			
20b	Geographic Tracking	<u>Q</u>		,			•		
21	"Find it/Fix it"	Q.	NERBA	150,000			٠	•	equal-cents-per-therm
22	Pipe Fitting Specifications (Exemption Allowed)	YES		. '	•		٠	•	
23	Minimize Emissions from Operations, Maintenance and Other Activities	Q.	NERBA	31,000	31,000		1	•	equal-cents-per-therm
24	Dig-Ins/Public Education Program	Q N		. "	. '		•		
52	Dig-Ins/Company Standby Monitors	Q N		•	•		•	•	
79	Dig-Ins/Repeat Offenders	2		•	•		1	•	
						l			
	T otal		.,	\$ 331,000 \$	181,000 \$	644,664 \$	644,664	•	

It] Incremental Cost Forecasts are not incluided for those BPs from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan.

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 201<sup>§)</sup> NORTHERN CALIFORNIA SERVICE TERRITORY

# #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$) 2018	2019	O & M (\$)	2019	A & G (\$)	Amortization Method/Commission Authorization
-	Compliance Plan	9		1			,	•	
2	Methane GHG Policy	2			,	,	,	,	
က	Pressure Reduction Policy	2		•	,	,	,		
4	Project Scheduling Policy	2					,	1	
2	Methane Evacuation Procedures	2					'	•	
9	Methane Evacuation Work Orders Policy	ON N				,	1		
7	Bundling Work Policy	ON.		•	•	•	1	,	
æ	Company Emergency Procedures	0 N		•	i		1	•	
6	Recordkeeping	Q.		•			•	•	
9	Minimize Uncontrolled Natural Gas Emissions Training	Q.					•	٠	
=	Methane Emissions Minimization Policies Training	ON O		1			,		
12	Knowledge Continuity Training Programs	ON.		1		,	•	1	
13	Performance Focused Training Programs	ON.		•			,	٠	
14	Formal Job Classifications (Exemption Allowed)	YES			•			,	
15	Gas Distribution Leak Surveys	Q.				,		٠	
16	Special Leak Surveys	ON					,		
17	Enhanced Methane Detection (Exemption Allowed)	YES		•	•		•	•	
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA	,		194,520	194.520	٠	egual-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES		•		. '		,	
20a	Quantification (Exemption Allowed)	YES		•	,	,			
20b	Geographic Tracking	<u>Q</u>		•	•	,	•	•	
21	"Find it/Fix it"	9		•	•		,	•	
22	Pipe Fitting Specifications (Exemption Allowed)	YES		•	•	•		•	
23	Minimize Emissions from Operations, Maintenance and Other Activities	Q N	NERBA	55,000	24,000	•	٠	•	equal-cents-per-therm
54	Dig-Ins/Public Education Program	Q N			. "		,	,	
25	Dig-Ins/Company Standby Monitors	Q N		•	1	,		•	
56	Dig-Ins/Repeat Offenders	Q Q		•	•		•	•	
	777								
	l otal		<del>so</del>	22,000 \$	24,000 \$	194,520 \$	194,520		

il Incremental Cost Forecasts are not incluided for those BPs from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan.

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR2018 and 201<sup>§1</sup> SOUTH LAKE TAHOE SERVICE TERRITORY

8P #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)	\$) 2019	O&M(\$) 2018	2019	A & G (\$)	Amortization Method/Commission Authorization
-	Compliance Plan	8			٠	. 1	,	1	
7	Methane GHG Policy	8		ř	. 1			٠	
က	Pressure Reduction Policy	ON.							
4	Project Scheduling Policy	ON		,			,	7	
S.	Methane Evacuation Procedures	QV					1	a	
9	Methane Evacuation Work Orders Policy	ON		1			•	31	
7	Bundling Work Policy	02				•		9	
80	Company Emergency Procedures	ON.			1		,		
6	Recordkeeping	ON ON					1		
10	Minimize Uncontrolled Natural Gas Emissions Training	9					í		
1	Methane Emissions Minimization Policies Training	9		٠					
12	Knowledge Continuity Training Programs	9			1		1		
13	Performance Focused Training Programs	2			ε	,	ī	1	
14	Formal Job Classifications (Exemption Allowed)	YES					•	9	
15	Gas Distribution Leak Surveys	9		3	э	э	7	þ	
16	Special Leak Surveys	9		9	3	3		•	
17	Enhanced Methane Detection (Exemption Allowed)	YES		ø	39		,		
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA		150,000	160,816	160,816	i •	equal-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES			. '	•	. '	•	•
20a	Quantification (Exemption Allowed)	YES			•	e		•	
20b	Geographic Tracking	ON.					1		
21	"Find it/Fix it"	ON ON					,		
22	Pipe Fitting Specifications (Exemption Allowed)	YES						•	
23	Minimize Emissions from Operations, Maintenance and Other Activities	Q	NERBA	24,000	55,000	,		•	equal-cents-per-therm
24	Dig-Ins/Public Education Program	Q N				э	1	,	
22	Dig-Ins/Company Standby Monitors	9			•	э	1	э	
56	Dig-Ins/Repeat Offenders	O <sub>N</sub>	1	-	•			•	
	Total		↔	24,000 \$	205,000 \$	160,816 \$	160,816		

<sup>[1]</sup> Incremental Cost Forecasts are not incluided for those BPs from which Soutwhest Gas anticipates seeking an exemption as part of its Compliance Plan.

# Advice Letter No. 1055 Attachment B

2018-2019 Revenue Requirement and Anticipated Rates

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTHERN CALIFORNIA SERVICE TERRITORY

Line No.	Description	Best Practice	Percent		2018	2019	Line
140.	(a)	(b)	(c)		(d)	(e)	No.
1	"Find it/Fix it" Minimize Emissions from Operations,	21			150,000	0	1
2	Maintenance and Other Activities	23			31,000	31,000	2
3	Total Dollars			\$	181,000	31,000	3
4	Pre-Tax Return				10.80%	10.80%	4
5	Financing Cost			\$	19,550	3,348	5
6	Depreciation		3.61%	\$	6,534	1,119	6
7	Property Tax		1.20%	\$	2,166	371	7
8	Revenue Requirement Before Franchise			<b>\$</b>	28,250	4,838	8
9	Franchise Rate		1.15%	\$	325	56	9
10	Revenue Requirement After Franchise			\$	28,575	4,894	10
11	Applicable Volumes (therms)				90,085,988	90,085,988	11
12	NERBA Rate Applicable to all Rate Schedules Except GS-LUZ			\$	0.00032	\$ 0.00005	12

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTHERN CALIFORNIA SERVICE AREA

Line No.	Description	Best Practice	Percent		2018	2019	Line No.
	(a)	(b)	(c)		(d)	(e)	
1 2 3	Stationary Methane Detectors (Capital) Stationary Methane Detectors (O&M) Total Dollars	18 18		\$ 	150,000 644,664 794,664	150,000 644,664 794,664	1 2 3
4	Pre-Tax Return			_	10.80%	10.80%	4
5	Financing Cost			\$	85,833	85,833	5
6	Depreciation [1]		2.86%	\$	4,290	4,290	6
7	Property Tax [2]		1.20%	\$	1,795	1,795	7
8	Revenue Requirement Before Franchise			\$_	91,918	91,918	8
9	Franchise Rate		1.15%	\$_	1,058	1,058	9
10	Revenue Requirement After Franchise			\$_	92,976	92,976	10
11	Applicable Volumes (therms)				90,085,988	90,085,988	11
12	NGLAPBA Rate Applicable to all Rate Schedules Except GS-LUZ			\$	0.00103	\$ 0.00103	12

<sup>[1]</sup> Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

<sup>[2]</sup> Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description	Best Practice	Percent		2018	2019	Line No.
	(a)	(b)	(c)		(d)	(e)	140.
1	Minimize Emissions from Operations, Maintenance and Other Activities	23		\$	55,000	24,000	1
2	Total Dollars			<b>\$</b>	55,000	24,000	2
3	Pre-Tax Return				12.14%	12.14%	3
4	Financing Cost			\$	6,677	2,914	4
5	Depreciation		3.82%	\$	2,101	917	5
6	Property Tax		1.33%	\$	731	319	6
7	Revenue Requirement Before Franchise			<b>\$</b>	9,509	4,149	7
8	Franchise Rate		1.29%	\$	123	54	8
9	Revenue Requirement After Franchise			\$	9,632	4,203	9
10	Applicable Volumes (therms)				27,182,452	27,182,452	10
11	NERBA Rate Applicable to all Rate Schedules			\$	0.00035	\$ 0.00015	11

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)		2018 (d)	2019 (e)	Line No.
1	Stationary Methane Detectors	18		\$	194,520	194,520	1
2	Total Dollars			<b>\$</b>	194,520	194,520	2
3	Pre-Tax Return				12.14%	12.14%	3
4	Financing Cost			\$	23,614	23,614	4
5	Depreciation		0.00%	\$	0	0	5
6	Property Tax		0.00%	\$	0	0	6
7	Revenue Requirement Before Franchise			\$	23,614	23,614	7
8	Franchise Rate		1.29%	\$	305	305	8
9	Revenue Requirement After Franchise			\$	23,919	23,919	9
10	Applicable Volumes (therms)				27,182,452	27,182,452	10
11	NGLAPBA Rate Applicable to all Rate Schedules			\$	0.00088	\$ 0.00088	11

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NEW ENVIRONMENTAL REGULATORY BALANCING ACCOUNT (NERBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTH LAKE TAHOE SERVICE AREA

Line No.	Description	Best Practice	Percent		2018	2019	Line No.
	(a)	(b)	(c)		(d)	(e)	110.
1	Minimize Emissions from Operations, Maintenance and Other Activities	23			24,000	55,000	1
2	Total Dollars			\$	24,000	55,000	2
3	Pre-Tax Return				12.14%	12.14%	3
4	Financing Cost			\$	2,914	6,677	4
5	Depreciation		3.82%	\$	917	2,101	5
6	Property Tax		1.40%	\$	337	771	6
7	Revenue Requirement Before Franchise			ş <sup></sup>	4,167	9,549	7
8	Franchise Rate		1.29%	\$	54	123_	8
9	Revenue Requirement After Franchise			\$	4,221	9,673	9
10	Applicable Volumes (therms)				22,472,566	22,472,566	10
11	NERBA Rate Applicable to all Rate Schedules			\$	0.00019	\$ 0.00043	11

# SOUTHWEST GAS CORPORATION NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA) 2018 AND 2019 INCREMENTAL FORECASTED COSTS REVENUE REQUIREMENT AND RATES SOUTH LAKE TAHOE SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)		2018 (d)	2019 (e)	Line No.
1	Stationary Methane Detectors (Capital) Stationary Methane Detectors (O&M)	18 18		\$	0 160,816	150,000	1
2	Total Dollars	10		\$_	160,816	160,816 310,816	2
3	Pre-Tax Return			_	12.14%	12.14%	3
4	Financing Cost			\$	19,522	37,732	4
5	Depreciation [1]		2.97%	\$	0	4,455	5
6	Property Tax [2]		1.40%	\$	0	2,104	6
7	Revenue Requirement Before Franchise			\$_	19,522	44,291	7
8	Franchise Rate		1.29%	\$	252	572	8
9	Revenue Requirement After Franchise			\$	19,775	44,863	9
10	Applicable Volumes (therms)				22,472,566	22,472,566	10
11	NGLAPBA Rate Applicable to all Rate Schedules			\$	0.00088	\$ 0.00200	11

<sup>[1]</sup> Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

<sup>[2]</sup> Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

# 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: Contact Person: Valerie J. Ontiveroz						
□ ELC ■ GAS	Phone #: (702) 876-7323					
□ PLC □ HEAT □ WATER	E-mail: valerie.onti	E-mail: valerie.ontiveroz@swgas.com				
EXPLANATION OF UTILITY TYPE (Date Filed/ Received Stamp by CPUC)						
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water						
Advice Letter (AL) #: 1055	VVATER - VVater					
Subject of AL: <u>To establish 2018 and 2</u> Gas Leak Abatement Program in con		remental costs forecasts and caps for the Natural in D 17-06-015				
	<u></u> .					
Keywords (choose from CPUC listing):						
AL filing type: ☐ Monthly ☐ Quarterly [						
	-	elevant Decision/Resolution #: D.17-06-015				
Does AL replace a withdrawn or rejecte	-					
Summarize differences between the AL	and the prior withdra	wn or rejected AL¹: <b>Not applicable</b>				
Resolution Required? ■ Yes □ No						
Requested effective date: <u>January 1, 2018</u> No. of tariff sheets: <u>7</u>						
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: Not applicable						
Service affected and changes proposed <sup>5</sup> : 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 Utility Info (including e-mail)						
Attention: Tariff Unit Mr. Justin Lee Brown,						
505 Van Ness Ave. San Francisco, CA 94102						
E-mail: edtariffunit@cpuc.ca.gov		P. O. Box 98510				
Las Vegas, NV 89193-8510						
E-mail: justin.brown@swgas.com Facsimile: 702-364-3452						

<sup>&</sup>lt;sup>5</sup> Discuss in AL if more space is needed.