

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,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

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:

Best Practice	Service Territory	Capital (\$)			
		2018		2019	
		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



SOUTHWEST GAS CORPORATION

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



SOUTHWEST GAS CORPORATION

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.¹

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.”² 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.

Updated 2018 Incremental BP Cost Forecasts Applicable to Southern California

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

¹ Id. at p.161-162.

² Id. at OP 6(b), p. 159-160.



Advice Letter No. 1055-B
Page 3
August 9, 2018

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:

Best Practice	Service Territory	Capital (\$)			
		2018		2019	
		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

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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



Advice Letter No. 1055-B
Page 4
August 9, 2018

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 Utilities Commission
belinda.gatti@cpuc.ca.gov

Robert M. Pocta
Office of Ratepayer Advocates
California Public Utilities Commission
rmp@cpuc.ca.gov

Nathaniel Skinner
Office of Ratepayer Advocates
California Public Utilities Commission
nws@cpuc.ca.gov

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



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southwest Gas Corporation (U 905 G)

Utility type:

- ELC GAS WATER
 PLC HEAT

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

Subject of AL: To supplement Advice Letter No. 1055, which established 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.

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.17-05-015

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: Not applicable

Summarize differences between the AL and the prior withdrawn or rejected AL: Not Applicable

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 9/8/18

No. of tariff sheets: 3

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: N/A

Service affected and changes proposed¹: See 'Subject of AL' above

Pending advice letters that revise the same tariff sheets: Not applicable

¹Discuss in AL if more space is needed.

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: EDTariffUnit@cpuc.ca.gov

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:

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

Schedule No. and Type of Charge	Margin	Charges [2]		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		and Adjustments			CPUC	PPP		
GS-10-Residential Gas Service								
Basic Service Charge	\$5.00							\$5.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.19582	\$.90943	\$.00166	\$.11505	\$.23667	\$ 1.26281	
Tier II	\$.88488	.19582	1.08070	.00166	.11505	.23667	1.43408	
GS-11-Residential Air-Conditioning Gas Service								
Basic Service Charge	\$5.00							\$5.00
Cost per Therm								
Tier I	\$.71361	\$.19582	\$.90943	\$.00166	\$.11505	\$.23667	\$ 1.26281	
Tier II	.88488	.19582	1.08070	.00166	.11505	.23667	1.43408	
Air-Conditioning	\$.35681	.19582	.55263	.00166	.11505	.23667	.90601	
GS-12-CARE Residential Gas Service								
Basic Service Charge	\$4.00							\$4.00
Cost per Therm								
Baseline Quantities	\$.48439	\$.19582	\$.68021	\$.00166	\$.01587	\$.23667	\$.93441	
Tier II	.62141	.19582	.81723	.00166	.01587	.23667	\$ 1.07143	
GS-15-Secondary Residential Gas Service								
Basic Service Charge	\$6.00							\$6.00
Cost per Therm	\$1.09366	\$.19582	\$ 1.28948	\$.00166	\$.11505	\$.23667	\$ 1.64286	
GS-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.19582	\$.90943	\$.00166	\$.11505	\$.23667	\$ 1.26281	
Tier II	.88488	.19582	1.08070	.00166	.11505	.23667	1.43408	
GS-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.19582	\$.90943	\$.00166	\$.11505	\$.23667	\$ 1.26281	
Tier II	.88488	.19582	1.08070	.00166	.11505	.23667	1.43408	
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	\$.42222	\$.19582	\$.61804	\$.00166	\$.01587	\$.23667	\$.87224	
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	
GS-40-Core General Gas Service (non-Covered Entities)								
Basic Service Charge	\$11.00							\$11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm								
First 100	\$.63590	\$.19582	\$.83172	\$.00166	\$.11505	\$.23667	\$ 1.18510	
Next 500	\$.46871	.19582	.66453	.00166	.11505	.23667	1.01791	
Next 2,400	\$.33496	.19582	.53078	.00166	.11505	.23667	.88416	
Over 3,000	\$.17757	.19582	.37339	.00166	.11505	.23667	.72677	

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

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

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

* 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.

** 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).

[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.

N
N

**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^[1]
SOUTHERN CALIFORNIA SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)	O & M (\$)	A & G (\$)	Amortization Method/Commission Authorization
			2018	2019	2018	2019	
1	Compliance Plan	NO	-	-	-	-	
2	Methane GHG Policy	NO	-	-	-	-	
3	Pressure Reduction Policy	NO	-	-	-	-	
4	Project Scheduling Policy	NO	-	-	-	-	
5	Methane Evacuation Procedures	NO	-	-	-	-	
6	Methane Evacuation Work Orders Policy	NO	-	-	-	-	
7	Bundling Work Policy	NO	-	-	-	-	
8	Company Emergency Procedures	NO	-	-	-	-	
9	Recordkeeping	NO	-	-	-	-	
10	Minimize Uncontrolled Natural Gas Emissions Training	NO	-	-	-	-	
11	Methane Emissions Minimization Policies Training	NO	-	-	-	-	
12	Knowledge Continuity Training Programs	NO	-	-	-	-	
13	Performance Focused Training Programs	NO	-	-	-	-	
14	Formal Job Classifications (Exemption Allowed)	YES	-	-	-	-	
15	Gas Distribution Leak Surveys	NO	-	-	-	-	
16	Special Leak Surveys	NO	-	-	-	-	
17	Enhanced Methane Detection (Exemption Allowed)	YES	-	-	-	-	
18	Stationary Methane Detectors (Exemption Allowed)	YES	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	NO	-	-	-	-	
21	"Find it/Fix it"	NO	265,000	-	-	-	equal-cents-per-therm
22	Pipe Fitting Specifications (Exemption Allowed)	YES	-	-	13,216	-	equal-cents-per-therm
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO	31,000	31,000	-	-	equal-cents-per-therm
24	Dig-Ins/Public Education Program	NO	-	-	-	-	
25	Dig-Ins/Company Standby Monitors	NO	-	-	-	-	
26	Dig-Ins/Repeat Offenders	NO	-	-	-	-	
Total				\$ 446,000	\$ 331,000	\$ 376,806	\$ 487,366

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

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 No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	"Find it/Fix it"	21		265,000	0	1
2	Minimize Emissions from Operations, Maintenance and Other Activities	23		<u>31,000</u>	<u>31,000</u>	2
3	Total Dollars			\$ 296,000	31,000	3
4	Pre-Tax Return			<u>10.80%</u>	<u>10.80%</u>	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			<u>\$ 46,199</u>	<u>4,838</u>	8
9	Franchise Rate		1.15%	<u>\$ 532</u>	<u>56</u>	9
10	Revenue Requirement After Franchise			<u>\$ 46,731</u>	<u>4,894</u>	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 No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
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

[1] Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.
[2] Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.



SOUTHWEST GAS CORPORATION

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. Ontiveroz
Regulatory Manager/California

VJO:jjp

Attachment



SOUTHWEST GAS CORPORATION

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

Purpose

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.¹

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.

¹ 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.²

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.

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

Updated 2018 and 2019 Incremental BP Cost Forecasts

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:

² Id. at p.161-162.

³ Id. at OP 6(b), p. 159-160.



Updated 2018 and 2019 Incremental BP Cost Forecasts *(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:

Best Practice	Service Territory	Capital (\$)			
		2018		2019	
		Filed	Updated	Filed	Updated
18	Southern California	150,000	N/A	150,000	300,000
	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:

Best Practice	Service Territory	O&M (\$)			
		2018		2019	
		Filed	Updated*	Filed	Updated*
18	Southern California	644,664	363,590	644,664	487,366
	Northern California	194,520	109,709	194,520	147,057
	South Lake Tahoe	160,816	90,700	160,816	121,577

*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 Practice	Service Territory	O&M (\$)	
		2018	
		Filed	Updated
22	Southern California	0	13,216
	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).⁴

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:

⁴ 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

By:

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 Utilities Commission
belinda.gatti@cpuc.ca.gov

Robert M. Pocta
Office of Ratepayer Advocates
California Public Utilities Commission
rmp@cpuc.ca.gov

Nathaniel Skinner
Office of Ratepayer Advocates
California Public Utilities Commission
nws@cpuc.ca.gov

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

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: **Valerie J. Ontiveroz**

Phone #: **(702) 876-7323**

E-mail: **valerie.ontiveroz@swgas.com**

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **1055-A**

Subject of AL: **To supplement Advice Letter No. 1055, which established 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.**

Keywords (choose from CPUC listing): **Compliance Filing**

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant 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 withdrawn or rejected AL¹: **Not applicable**

Resolution Required? Yes No

Requested effective date: **Upon Commission Approval**

No. of tariff sheets: **7**

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 proposed⁵: **See 'Subject of AL' above**

Pending advice letters that revise the same tariff sheets: **Not applicable**

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

**CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.
San Francisco, CA 94102
E-mail: edtariffunit@cpuc.ca.gov**

**Utility Info (including e-mail)
Mr. Justin Lee Brown,
Vice President/Regulation & Public Affairs
Southwest Gas Corporation
P. O. Box 98510
Las Vegas, NV 89193-8510
E-mail: justin.brown@swgas.com
Facsimile: 702-364-3452**

⁵ Discuss in AL if more space is needed.

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

California Gas Tariff

Canceling 105th Revised Cal. P.U.C. Sheet No. 65
95th/104th 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	Margin	Charges [2]		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		and Adjustments			CPUC	PPP		
GS-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.14784	\$.86145	\$.00166	\$.11505	\$.21486	\$ 1.19302	
Tier II	\$.88488	.14784	1.03272	.00166	.11505	.21486	1.36429	
GS-11-Residential Air-Conditioning Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Tier I	\$.71361	\$.14784	\$.86145	\$.00166	\$.11505	\$.21486	\$ 1.19302	
Tier II	.88488	.14784	1.03272	.00166	.11505	.21486	1.36429	
Air-Conditioning	\$.35681	.14784	.50465	.00166	.11505	.21486	.83622	
GS-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.49835	\$.14784	\$.64619	\$.00166	\$.01587	\$.21486	\$.87858	
Tier II	.63536	.14784	.78320	.00166	.01587	.21486	1.01559	
GS-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ 1.09366	\$.14784	\$ 1.24150	\$.00166	\$.11505	\$.21486	\$ 1.57307	
GS-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.14784	\$.86145	\$.00166	\$.11505	\$.21486	\$ 1.19302	
Tier II	.88488	.14784	1.03272	.00166	.11505	.21486	1.36429	
GS-25 -Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.14784	\$.86145	\$.00166	\$.11505	\$.21486	\$ 1.19302	
Tier II	.88488	.14784	1.03272	.00166	.11505	.21486	1.36429	
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	\$.43618	\$.14784	\$.58402	\$.00166	\$.01587	\$.21486	\$.81641	
Next 500	.30243	.14784	.45027	.00166	.01587	.21486	.68266	
Next 2,400	.19543	.14784	.34327	.00166	.01587	.21486	.57566	
Over 3,000	.06952	.14784	.21736	.00166	.01587	.21486	.44975	
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	\$.78374	\$.00166	\$.11505	\$.21486	\$ 1.11531	
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	

Advice Letter No. 1055-A
 Decision No. _____

Issued by
 Justin Lee Brown
 Vice President

Date Filed April 20, 2018
 Effective _____
 Resolution No. _____

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		Gas Cost	Effective Sales Rate
				CPUC	PPP		
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						\$50.00
Cost per Therm	\$.05338	\$.00176	\$.05514	\$.00166			\$.05680
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	\$780.00						\$780.00
Cost per Therm	\$.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 Safety Inspection Provision							
MHPS Surcharge per Space per Month							\$.21000

Advice Letter No. 1055-A
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed April 20, 2018
Effective _____
Resolution No. _____

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-12, GS-15, GS-20, GS-25	GS-35, GS-40, GS-50, GS-60, GS-66	GS-70	GS-VIC	GS-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

* 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.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

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

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
GN-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.75614	\$.11476	\$.87090	\$.00166	\$.02841	\$.20441	\$ 1.10538	
Tier II	.86695	.11476	.98171	.00166	.02841	.20441	1.21619	
GN-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.54108	\$.11476	\$.65584	\$.00166	\$.01587	\$.20441	\$.87778	
Tier II	.62973	.11476	.74449	.00166	.01587	.20441	.96643	
GN-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$.90881	\$.11476	\$ 1.02357	\$.00166	\$.02841	\$.20441	\$ 1.25805	
GN-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.75614	\$.11476	\$.87090	\$.00166	\$.02841	\$.20441	\$ 1.10538	
Tier II	.86695	.11476	.98171	.00166	.02841	.20441	1.21619	
GN-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.75614	\$.11476	\$.87090	\$.00166	\$.02841	\$.20441	\$ 1.10538	
Tier II	.86695	.11476	.98171	.00166	.02841	.20441	1.21619	
Submetered Discount per Occupied Space	(\$11.01)							(\$11.01)
GN-35-Agriculture Employee Housing & Nonprofit Group Living Facility Gas Service								
Basic Service Charge	\$ 8.80							\$ 8.80
Cost per Therm								
First 100	\$.43552	\$.11476	\$.55028	\$.00166	\$.01587	\$.20441	\$.77222	
Next 500	.33476	.11476	.44952	.00166	.01587	.20441	.67146	
Next 2,400	.23667	.11476	.35143	.00166	.01587	.20441	.57337	
Over 3,000	.08931	.11476	.20407	.00166	.01587	.20441	.42601	
GN-40-Core General Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$.62419	\$.11476	\$.73895	\$.00166	\$.02841	\$.20441	\$.97343	
Next 500	.49824	.11476	.61300	.00166	.02841	.20441	.84748	
Next 2,400	.37563	.11476	.49039	.00166	.02841	.20441	.72487	
Over 3,000	.19143	.11476	.30619	.00166	.02841	.20441	.54067	
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	

Advice Letter No. 1055-A
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed April 20, 2018
Effective _____
Resolution No. _____

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

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
GN-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.29193	\$.11476		\$.40669	\$.00166	\$.02841	\$.20441	\$.64117
GN-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.28373	\$.11476		\$.39849	\$.00166		\$.20441	\$.60456
GN-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$.17550	(\$.12379)		\$.05171	\$.00166	\$.02841		\$.08178
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm								\$.00255
TDS - Transportation Distribution System Shrinkage Charge								
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:

Charges and Adjustments Description	GN-10, GN-35, GN-12, GN-40, GN-15, GN-50, GN-20, GN-60, GN-25, GN-66		GN-70
Upstream Interstate Charges			
Storage	\$.02077		
Reservation	.26515		
IRRAM Surcharge	.00000		\$.00000
Balancing Account Adjustments			
FCAM*	(.17220)		(.12483)
GHGBA**			
Non-Covered Entities			
Covered Entities			
NERBA	.00035		.00035
NGLAPBA	.00069		.00069
Total Rate Adjustment	\$.11476	(\$.12379)	

* 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.

** 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 (LUAUF).

Advice Letter No. 1055-A
Decision No. _____

Issued by
Justin Lee Brown
Vice President

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Resolution No. _____

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		Gas Cost	Effective Sales Rate
					CPUC	PPP		
SLT-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.33324	\$.21989	\$.55313	\$.00166	\$.02841	\$.20441	\$.78761	
Tier II	.42078	.21989	.64067	.00166	.02841	.20441	.87515	
SLT-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.18173	\$.21989	\$.40162	\$.00166	\$.01587	\$.20441	\$.62356	
Tier II	.25176	.21989	.47165	.00166	.01587	.20441	.69359	
SLT-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$.46121	\$.21989	\$.68110	\$.00166	\$.02841	\$.20441	\$.91558	
SLT-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$.33324	\$.21989	\$.55313	\$.00166	\$.02841	\$.20441	\$.78761	
Tier II	.42078	.21989	.64067	.00166	.02841	.20441	.87515	
SLT-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$.33324	\$.21989	\$.55313	\$.00166	\$.02841	\$.20441	\$.78761	
Tier II	.42078	.21989	.64067	.00166	.02841	.20441	.87515	
Submetered Discount per Occupied Space	(\$ 7.69)							(\$ 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	
Next 500	.21832	.21989	.43821	.00166	.01587	.20441	.66015	
Next 2,400	.16481	.21989	.38470	.00166	.01587	.20441	.60664	
Over 3,000	.07063	.21989	.29052	.00166	.01587	.20441	.51246	
SLT-40-Core General Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$.44585	\$.21989	\$.66574	\$.00166	\$.02841	\$.20441	\$.90022	
Next 500	.37897	.21989	.59886	.00166	.02841	.20441	.83334	
Next 2,400	.31209	.21989	.53198	.00166	.02841	.20441	.76646	
Over 3,000	.19436	.21989	.41425	.00166	.02841	.20441	.64873	
SLT-50-Core Natural Gas Service for Motor Vehicles								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.21501	\$.21989	\$.43490	\$.00166	\$.02841	\$.20441	\$.66938	

Advice Letter No. 1055-A
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed April 20, 2018
Effective _____
Resolution No. _____

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		Gas Cost	Effective Sales Rate
				CPUC	PPP		
SLT-60-Core Internal Combustion Engine Gas Service							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm	\$.24467	\$.21989	\$.46456	\$.00166	\$.02841	\$.20441	\$.69904
SLT-66-Core Small Electric Power Generation Gas Service							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm	\$.24467	\$.21989	\$.46456	\$.00166		\$.20441	\$.67063
SLT-70-Noncore General Gas Transportation Service							
Basic Service Charge	\$ 100.00						\$ 100.00
Transportation Service Charge	\$ 780.00						\$ 780.00
Cost per Therm	\$.17842	(\$.01866)	\$.15976	\$.00166	\$.02841		\$.18983
TFF-Transportation Franchise Fee Surcharge Provision							
TFF Surcharge per Therm							\$.00255
TDS-Transportation Distribution System Shrinkage Charge							
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 service will also be subject to the TFF Surcharge.

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

Charges and Adjustments Description	SLT-10, SLT-35, SLT-12, SLT-40, SLT-15, SLT-50, SLT-20, SLT-60, SLT-25, SLT-66		SLT-70
	Upstream Interstate Charges		
Storage	\$.02077		
Reservation	.26515		
IRRAM Surcharge	.00000		\$.00000
Balancing Account Adjustment			
FCAM *	(.06673)		(.01936)
GHGBA			
Non-Covered Entities			
Covered Entities			
NERBA	.00019		.00019
NGLAPBA	.00051		.00051
Total Rate Adjustment	\$.21989		(\$.01866)

* 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.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

**Advice Letter No. 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⁽¹⁾
 SOUTHERN CALIFORNIA SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)		O & M (\$)		A & G (\$)	Amortization Method/Commission Authorization		
				2018	2019	2018	2019				
1	Compliance Plan	NO		-	-	-	-	-			
2	Methane GHG Policy	NO		-	-	-	-	-			
3	Pressure Reduction Policy	NO		-	-	-	-	-			
4	Project Scheduling Policy	NO		-	-	-	-	-			
5	Methane Evacuation Procedures	NO		-	-	-	-	-			
6	Methane Evacuation Work Orders Policy	NO		-	-	-	-	-			
7	Bundling Work Policy	NO		-	-	-	-	-			
8	Company Emergency Procedures	NO		-	-	-	-	-			
9	Recordkeeping	NO		-	-	-	-	-			
10	Minimize Uncontrolled Natural Gas Emissions Training	NO		-	-	-	-	-			
11	Methane Emissions Minimization Policies Training	NO		-	-	-	-	-			
12	Knowledge Continuity Training Programs	NO		-	-	-	-	-			
13	Performance Focused Training Programs	NO		-	-	-	-	-			
14	Formal Job Classifications (Exemption Allowed)	YES		-	-	-	-	-			
15	Gas Distribution Leak Surveys	NO		-	-	-	-	-			
16	Special Leak Surveys	NO		-	-	-	-	-			
17	Enhanced Methane Detection (Exemption Allowed)	YES		-	-	-	-	-	equal-cents-per-therm		
18	Stationary Methane Detectors (Exemption Allowed)	YES	NGLAPBA	150,000	300,000	363,590	487,366	-			
19	Above Ground Leak Surveys (Exemption Allowed)	YES		-	-	-	-	-			
20a	Quantification (Exemption Allowed)	YES		-	-	-	-	-			
20b	Geographic Tracking	NO		-	-	-	-	-			
21	"Find it/Fix it"	NO		-	-	-	-	-			
22	Pipe Fitting Specifications (Exemption Allowed)	YES	NERBA	150,000	-	-	-	-	equal-cents-per-therm		
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO	NGLAPBA	-	-	13,216	-	-	equal-cents-per-therm		
24	Dig-Ins/Public Education Program	NO	NERBA	31,000	31,000	-	-	-	equal-cents-per-therm		
25	Dig-Ins/Company Standby Monitors	NO		-	-	-	-	-			
26	Dig-Ins/Repeat Offenders	NO		-	-	-	-	-			
Total				\$	331,000	\$	331,000	\$	376,806	\$	487,366

⁽¹⁾ Incremental Cost Forecasts are not included for those BPs from which Southwest 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⁽¹⁾
 NORTHERN CALIFORNIA SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPNA, NERBA or NGLAPBA)	Capital (\$)		O & M (\$)		A & G (\$)	Amortization Method/Commission Authorization		
				2018	2019	2018	2019				
1	Compliance Plan	NO		-	-	-	-	-			
2	Methane GHG Policy	NO		-	-	-	-	-			
3	Pressure Reduction Policy	NO		-	-	-	-	-			
4	Project Scheduling Policy	NO		-	-	-	-	-			
5	Methane Evacuation Procedures	NO		-	-	-	-	-			
6	Methane Evacuation Work Orders Policy	NO		-	-	-	-	-			
7	Bundling Work Policy	NO		-	-	-	-	-			
8	Company Emergency Procedures	NO		-	-	-	-	-			
9	Recordkeeping	NO		-	-	-	-	-			
10	Minimize Uncontrolled Natural Gas Emissions Training	NO		-	-	-	-	-			
11	Methane Emissions Minimization Policies Training	NO		-	-	-	-	-			
12	Knowledge Continuity Training Programs	NO		-	-	-	-	-			
13	Performance Focused Training Programs	NO		-	-	-	-	-			
14	Formal Job Classifications (Exemption Allowed)	YES		-	-	-	-	-			
15	Gas Distribution Leak Surveys	NO		-	-	-	-	-			
16	Special Leak Surveys	NO		-	-	-	-	-			
17	Enhanced Methane Detection (Exemption Allowed)	YES		-	-	-	-	-			
18	Stationary Methane Detectors (Exemption Allowed)	YES		-	-	-	-	-			
19	Above Ground Leak Surveys (Exemption Allowed)	YES	NGLAPBA	-	-	109,709	147,057	-	equal-cents-per-therm		
20a	Quantification (Exemption Allowed)	YES		-	-	-	-	-			
20b	Geographic Tracking	NO		-	-	-	-	-			
21	"Find it/Fix it"	NO		-	-	-	-	-			
22	Pipe Fitting Specifications (Exemption Allowed)	YES		-	-	3,988	-	-			
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO		-	-	-	-	-			
24	Dig-Ins/Public Education Program	NO	NERBA	55,000	24,000	-	-	-	equal-cents-per-therm		
25	Dig-Ins/Company Standby Monitors	NO		-	-	-	-	-			
26	Dig-Ins/Repeat Offenders	NO		-	-	-	-	-			
Total				\$	55,000	\$	24,000	\$	113,697	\$	147,057

⁽¹⁾ Incremental Cost Forecasts are not included for those BPs from which Southwest 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⁽¹⁾
 SOUTH LAKE TAHOE SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)		O & M (\$)		A & G (\$)	Amortization Method/Commission Authorization
				2018	2019	2018	2019		
1	Compliance Plan	NO		-	-	-	-	-	
2	Methane GHG Policy	NO		-	-	-	-	-	
3	Pressure Reduction Policy	NO		-	-	-	-	-	
4	Project Scheduling Policy	NO		-	-	-	-	-	
5	Methane Evacuation Procedures	NO		-	-	-	-	-	
6	Methane Evacuation Work Orders Policy	NO		-	-	-	-	-	
7	Bundling Work Policy	NO		-	-	-	-	-	
8	Company Emergency Procedures	NO		-	-	-	-	-	
9	Recordkeeping	NO		-	-	-	-	-	
10	Minimize Uncontrolled Natural Gas Emissions Training	NO		-	-	-	-	-	
11	Methane Emissions Minimization Policies Training	NO		-	-	-	-	-	
12	Knowledge Continuity Training Programs	NO		-	-	-	-	-	
13	Performance Focused Training Programs	NO		-	-	-	-	-	
14	Formal Job Classifications (Exemption Allowed)	YES		-	-	-	-	-	
15	Gas Distribution Leak Surveys	NO		-	-	-	-	-	
16	Special Leak Surveys	NO		-	-	-	-	-	
17	Enhanced Methane Detection (Exemption Allowed)	YES		-	-	-	-	-	
18	Stationary Methane Detectors (Exemption Allowed)	YES		-	-	-	-	-	
19	Above Ground Leak Surveys (Exemption Allowed)	YES	NGLAPBA	-	-	90,700	-	121,577	equal-cents-per-therm
20a	Quantification (Exemption Allowed)	YES		-	-	-	-	-	
20b	Geographic Tracking	NO		-	-	-	-	-	
21	"Find it/Fix it"	NO		-	-	-	-	-	
22	Pipe Fitting Specifications (Exemption Allowed)	YES		-	-	3,297	-	-	
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO	NERBA	24,000	55,000	-	-	-	equal-cents-per-therm
24	Dig-Ins/Public Education Program	NO		-	-	-	-	-	
25	Dig-Ins/Company Standby Monitors	NO		-	-	-	-	-	
26	Dig-Ins/Repeat Offenders	NO		-	-	-	-	-	
Total				\$ 24,000	\$ 55,000	\$ 93,997	\$ 121,577		

⁽¹⁾ Incremental Cost Forecasts are not included for those BPs from which Southwest 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

ADVICE LETTER NO. 1055-A
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 No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	"Find it/Fix it"	21		150,000	0	1
2	Minimize Emissions from Operations, Maintenance and Other Activities	23		<u>31,000</u>	<u>31,000</u>	2
3	Total Dollars			\$ 181,000	31,000	3
4	Pre-Tax Return			<u>10.80%</u>	<u>10.80%</u>	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			<u>\$ 28,250</u>	<u>4,838</u>	8
9	Franchise Rate		1.15%	<u>\$ 325</u>	<u>56</u>	9
10	Revenue Requirement After Franchise			<u>\$ 28,575</u>	<u>4,894</u>	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

ADVICE LETTER NO. 1055-A
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 No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
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

[1] Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.
[2] Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

ADVICE LETTER NO. 1055-A
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
NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	Minimize Emissions from Operations, Maintenance and Other Activities	23		\$ 55,000	24,000	1
2	Total Dollars			\$ 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

ADVICE LETTER NO. 1055-A
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
NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	Stationary Methane Detectors	18		\$ 109,709	\$ 147,057	1
2	Pipe Fitting Specifications (O&M)	22		3,988	0	2
3	Total Dollars			\$ 113,697	\$ 147,057	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			\$ 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

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

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

ADVICE LETTER NO. 1055-A
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
SOUTH LAKE TAHOE SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
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			\$ 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

ADVICE LETTER NO. 1055-A
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
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)	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

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

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



SOUTHWEST GAS CORPORATION

October 31, 2017

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

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



SOUTHWEST GAS CORPORATION

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.¹

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.²

¹ D.17-06-015, at p. 2.

² Id. 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).

³ Id. at OP 6(b), p. 159-160.

⁴ 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).



Advice Letter No. 1055
Page 4
October 31, 2017

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

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above and mailed, faxed or emailed to:

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

Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since 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.



Advice Letter No. 1055
Page 5
October 31, 2017

Communications regarding this filing should be directed to:

Valerie J. Ontiveroz
Regulatory Manager/California
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510
Telephone: 702-876-7323
E-mail: valerie.ontiveroz@swgas.com

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:

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

Justin Lee Brown

Attachments

Distribution List

Advice Letter No. 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 Utilities Commission
belinda.gatti@cpuc.ca.gov

Robert M. Pocta
Office of Ratepayer Advocates
California Public Utilities Commission
rmp@cpuc.ca.gov

Nathaniel Skinner
Office of Ratepayer Advocates
California Public Utilities Commission
nws@cpuc.ca.gov

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

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

Schedule No. and Type of Charge	Margin	Charges [2] and		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Adjustments			CPUC	PPP		
GS-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.69366	\$.12792	\$.82158	\$.00139	\$.14256	\$.27229	\$ 1.23782	
Tier II	\$.86493	.12792	.99285	.00139	.14256	.27229	1.40909	
GS-11-Residential Air-Conditioning Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Tier I	\$.69366	\$.12792	\$.82158	\$.00139	\$.14256	\$.27229	\$ 1.23782	
Tier II	.86493	.12792	.99285	.00139	.14256	.27229	1.40909	
Air-Conditioning	\$.34683	.12792	.47475	.00139	.14256	.27229	.89099	
GS-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.47489	\$.12792	\$.60281	\$.00139	\$.01755	\$.27229	\$.89404	
Tier II	.61190	.12792	.73982	.00139	.01755	.27229	\$ 1.03105	
GS-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ 1.06499	\$.12792	\$ 1.19291	\$.00139	\$.14256	\$.27229	\$ 1.60915	
GS-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.69366	\$.12792	\$.82158	\$.00139	\$.14256	\$.27229	\$ 1.23782	
Tier II	.86493	.12792	.99285	.00139	.14256	.27229	1.40909	
GS-25 -Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.69366	\$.12792	\$.82158	\$.00139	\$.14256	\$.27229	\$ 1.23782	
Tier II	.86493	.12792	.99285	.00139	.14256	.27229	1.40909	
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	
Next 500	.28497	.12792	.41289	.00139	.01755	.27229	.70404	
Next 2,400	.18083	.12792	.30875	.00139	.01755	.27229	.59990	
Over 3,000	.06093	.12792	.18885	.00139	.01755	.27229	.48000	
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	\$.61888	\$.12792	\$.74680	\$.00139	\$.14256	\$.27229	\$ 1.16304	
Next 500	\$.45617	.12792	.58409	.00139	.14256	.27229	1.00033	
Next 2,400	\$.32599	.12792	.45391	.00139	.14256	.27229	.87015	
Over 3,000	\$.17612	.12792	.30404	.00139	.14256	.27229	.72028	

Advice Letter No. 1055
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed October 31, 2017
Effective _____
Resolution No. _____

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

Schedule No. and Type of Charge	Margin	Charges [2] and		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Adjustments			CPUC	PPP		
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								
MHPS Surcharge per Space per Month								\$.21000

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-12, GS-15, GS-20, GS-25	GS-35, GS-40, GS-50, GS-60, GS-66	GS-70	GS-VIC	GS-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

* 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.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

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

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
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	I
Tier II	.84375	.20107	1.04482	.00139	.02947	.27019	1.34587	I
GN-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.49210	\$.20107	\$.69317	\$.00139	\$.01755	\$.27019	\$.98230	I
Tier II	.58075	.20107	.78182	.00139	.01755	.27019	1.07095	I
GN-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$.88171	\$.20107	\$ 1.08278	\$.00139	\$.02947	\$.27019	\$ 1.38383	I
GN-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.73294	\$.20107	\$.93401	\$.00139	\$.02947	\$.27019	\$ 1.23506	I
Tier II	.84375	.20107	1.04482	.00139	.02947	.27019	1.34587	I
GN-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.73294	\$.20107	\$.93401	\$.00139	\$.02947	\$.27019	\$ 1.23506	I
Tier II	.84375	.20107	1.04482	.00139	.02947	.27019	1.34587	I
Submetered Discount per Occupied Space	(\$11.01)						(\$11.01)	
GN-35-Agriculture Employee Housing & Nonprofit Group Living Facility Gas Service								
Basic Service Charge	\$ 8.80							\$ 8.80
Cost per Therm								
First 100	\$.39181	\$.20107	\$.59288	\$.00139	\$.01755	\$.27019	\$.88201	I
Next 500	.29375	.20107	.49482	.00139	.01755	.27019	.78395	I
Next 2,400	.19828	.20107	.39935	.00139	.01755	.27019	.68848	I
Over 3,000	.05150	.20107	.25257	.00139	.01755	.27019	.54170	I
GN-40-Core General Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$.60748	\$.20107	\$.80855	\$.00139	\$.02947	\$.27019	\$ 1.10960	I
Next 500	.48490	.20107	.68597	.00139	.02947	.27019	.98702	I
Next 2,400	.36557	.20107	.56664	.00139	.02947	.27019	.86769	I
Over 3,000	.18209	.20107	.38316	.00139	.02947	.27019	.68421	I
GN-50-Core Natural Gas Service for Motor Vehicles								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.10134	\$.20107	\$.30241	\$.00139	\$.02947	\$.27019	\$.60346	I

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

California Gas Tariff

Canceling 95th Revised
94th Revised

Cal. P.U.C. Sheet No. 69

Cal. P.U.C. Sheet No. 69

STATEMENT OF RATES

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

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
GN-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.28220	\$.20107		\$.48327	\$.00139	\$.02947	\$.27019	\$.78432
GN-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$.27613	\$.20107		\$.47720	\$.00139		\$.27019	\$.74878
GN-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$.16986	(\$.02641)		\$.14345	\$.00139	\$.02947		\$.17431
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm								\$.00357
TDS - Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm								\$.00151
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:

Charges and Adjustments Description	GN-10, GN-12, GN-15, GN-20, GN-25,		GN-35, GN-40, GN-50, GN-60, GN-66		GN-70
Upstream Interstate Charges					
Storage	\$.02249			
Reservation		.22103			
IRRAM Surcharge		.00000		\$.00000
Balancing Account Adjustments					
FCAM*		(.04368)		(.02764)	
GHGBA**					
Non-Covered Entities					
Covered Entities					
NERBA		.00035		.00035	
NGLAPBA		.00088		.00088	
Total Rate Adjustment	\$.20107	(\$.02641)	

* The FCAM surcharge includes an amount of (\$.02764) per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

Advice Letter No. 1055
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed October 31, 2017
Effective _____
Resolution No. _____

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

Schedule No. and Type of Charge	Margin	Charges [2] and		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Adjustments			CPUC	PPP		
SLT-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.32198	\$.26667	\$.58865	\$.00139	\$.02947	\$.27019		\$.88970
Tier II	.40952	.26667	.67619	.00139	.02947	.27019		.97724
SLT-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.15021	\$.26667	\$.41688	\$.00139	\$.01755	\$.27019		\$.70601
Tier II	.22024	.26667	.48691	.00139	.01755	.27019		.77604
SLT-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$.44620	\$.26667	\$.71287	\$.00139	\$.02947	\$.27019		\$ 1.01392
SLT-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm								
Baseline Quantities	\$.32198	\$.26667	\$.58865	\$.00139	\$.02947	\$.27019		\$.88970
Tier II	.40952	.26667	.67619	.00139	.02947	.27019		.97724
SLT-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm								
Baseline Quantities	\$.32198	\$.26667	\$.58865	\$.00139	\$.02947	\$.27019		\$.88970
Tier II	.40952	.26667	.67619	.00139	.02947	.27019		.97724
Submetered Discount per Occupied Space	(\$7.69)							(\$ 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	\$.23984	\$.26667	\$.50651	\$.00139	\$.01755	\$.27019		\$.79564
Next 500	.18777	.26667	.45444	.00139	.01755	.27019		.74357
Next 2,400	.13570	.26667	.40237	.00139	.01755	.27019		.69150
Over 3,000	.04188	.26667	.30855	.00139	.01755	.27019		.59768
SLT-40-Core General Gas Service								
Basic Service Charge	\$11.00							\$11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm								
First 100	\$.43392	\$.26667	\$.70059	\$.00139	\$.02947	\$.27019		\$ 1.00164
Next 500	.36883	.26667	.63550	.00139	.02947	.27019		.93655
Next 2,400	.30374	.26667	.57041	.00139	.02947	.27019		.87146
Over 3,000	.18647	.26667	.45314	.00139	.02947	.27019		.75419
SLT-50-Core Natural Gas Service for Motor Vehicles								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm	\$.20921	\$.26667	\$.47588	\$.00139	\$.02947	\$.27019		\$.77693

Advice Letter No. 1055
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed October 31, 2017
Effective _____
Resolution No. _____

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

California Gas Tariff

Canceling 95th Revised Cal. P.U.C. Sheet No. 71
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		Gas Cost	Effective Sales Rate
					CPUC	PPP		
SLT-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.23812	\$.26667		\$.50479	\$.00139	\$.02947	\$.27019	\$.80584
SLT-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.23812	\$.26667		\$.50479	\$.00139		\$.27019	\$.77637
SLT-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$.17267	\$.03919		\$.21186	\$.00139	\$.02947		\$.24272
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm								\$.00357
TDS-Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm								\$.00151
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 service will also be subject to the TFF Surcharge.

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

Charges and Adjustments Description	SLT-10, SLT-35, SLT-12, SLT-40, SLT-15, SLT-50, SLT-20, SLT-60, SLT-25, SLT-66		SLT-70
	Upstream Interstate Charges		
Storage	\$.02249		
Reservation	.22103		
IRRAM Surcharge	.00000		\$.00000
Balancing Account Adjustment			
FCAM *	.02208		.03812
GHGBA			
Non-Covered Entities			
Covered Entities			
NERBA	.00019		.00019
NGLAPBA	.00088		.00088
Total Rate Adjustment	\$.26667		\$.03919

* The FCAM surcharge includes an amount of \$.03812 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

** Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

Advice Letter No. 1055
 Decision No. _____

Issued by
 Justin Lee Brown
 Vice President

Date Filed October 31, 2017
 Effective _____
 Resolution No. _____

Advice Letter No. 1055
Attachment A

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

ADVICE LETTER NO. 1055
ATTACHMENT A

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

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)		O & M (\$)		A & G (\$)	Amortization Method/Commission Authorization
				2018	2019	2018	2019		
1	Compliance Plan	NO	-	-	-	-	-	-	-
2	Methane GHG Policy	NO	-	-	-	-	-	-	-
3	Pressure Reduction Policy	NO	-	-	-	-	-	-	-
4	Project Scheduling Policy	NO	-	-	-	-	-	-	-
5	Methane Evacuation Procedures	NO	-	-	-	-	-	-	-
6	Methane Evacuation Work Orders Policy	NO	-	-	-	-	-	-	-
7	Bundling Work Policy	NO	-	-	-	-	-	-	-
8	Company Emergency Procedures	NO	-	-	-	-	-	-	-
9	Recordkeeping	NO	-	-	-	-	-	-	-
10	Minimize Uncontrolled Natural Gas Emissions Training	NO	-	-	-	-	-	-	-
11	Methane Emissions Minimization Policies Training	NO	-	-	-	-	-	-	-
12	Knowledge Continuity Training Programs	NO	-	-	-	-	-	-	-
13	Performance Focused Training Programs	NO	-	-	-	-	-	-	-
14	Formal Job Classifications (Exemption Allowed)	YES	-	-	-	-	-	-	-
15	Gas Distribution Leak Surveys	NO	-	-	-	-	-	-	-
16	Special Leak Surveys	NO	-	-	-	-	-	-	-
17	Enhanced Methane Detection (Exemption Allowed)	YES	-	-	-	-	-	-	-
18	Stationary Methane Detectors (Exemption Allowed)	YES	150,000	150,000	644,664	644,664	644,664	644,664	equal-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES	-	-	-	-	-	-	-
20a	Quantification (Exemption Allowed)	YES	-	-	-	-	-	-	-
20b	Geographic Tracking	NO	-	-	-	-	-	-	-
21	"Find it/Fix it"	NO	150,000	-	-	-	-	-	equal-cents-per-therm
22	Pipe Fitting Specifications (Exemption Allowed)	YES	-	-	-	-	-	-	-
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO	31,000	31,000	-	-	-	-	equal-cents-per-therm
24	Dig-Ins/Public Education Program	NO	-	-	-	-	-	-	-
25	Dig-Ins/Company Standby Monitors	NO	-	-	-	-	-	-	-
26	Dig-Ins/Repeat Offenders	NO	-	-	-	-	-	-	-
Total				\$ 331,000	\$ 181,000	\$ 644,664	\$ 644,664	\$ 644,664	-

⁽¹⁾ Incremental Cost Forecasts are not included for those BPs from which Southwest Gas anticipates seeking an exemption as part of its Compliance Plan.

ADVICE LETTER NO. 1055
ATTACHMENT A

SOUTHWEST GAS CORPORATION
NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 2019⁽¹⁾
NORTHERN CALIFORNIA SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$) 2018	Capital (\$) 2019	O & M (\$) 2018	O & M (\$) 2019	A & G (\$)	Amortization Method/Commission Authorization
1	Compliance Plan	NO		-	-	-	-	-	
2	Methane GHG Policy	NO		-	-	-	-	-	
3	Pressure Reduction Policy	NO		-	-	-	-	-	
4	Project Scheduling Policy	NO		-	-	-	-	-	
5	Methane Evacuation Procedures	NO		-	-	-	-	-	
6	Methane Evacuation Work Orders Policy	NO		-	-	-	-	-	
7	Bundling Work Policy	NO		-	-	-	-	-	
8	Company Emergency Procedures	NO		-	-	-	-	-	
9	Recordkeeping	NO		-	-	-	-	-	
10	Minimize Uncontrolled Natural Gas Emissions Training	NO		-	-	-	-	-	
11	Methane Emissions Minimization Policies Training	NO		-	-	-	-	-	
12	Knowledge Continuity Training Programs	NO		-	-	-	-	-	
13	Performance Focused Training Programs	NO		-	-	-	-	-	
14	Formal Job Classifications (Exemption Allowed)	YES		-	-	-	-	-	
15	Gas Distribution Leak Surveys	NO		-	-	-	-	-	
16	Special Leak Surveys	NO		-	-	-	-	-	
17	Enhanced Methane Detection (Exemption Allowed)	YES		-	-	-	-	-	
18	Stationary Methane Detectors (Exemption Allowed)	YES		-	-	194,520	194,520	-	equal-cents-per-therm
19	Above Ground Leak Surveys (Exemption Allowed)	YES	NGLAPBA	-	-	-	-	-	
20a	Quantification (Exemption Allowed)	YES		-	-	-	-	-	
20b	Geographic Tracking	NO		-	-	-	-	-	
21	"Find it/Fix it"	NO		-	-	-	-	-	
22	Pipe Fitting Specifications (Exemption Allowed)	YES		-	-	-	-	-	
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO	NERBA	55,000	24,000	-	-	-	equal-cents-per-therm
24	Dig-Ins/Public Education Program	NO		-	-	-	-	-	
25	Dig-Ins/Company Standby Monitors	NO		-	-	-	-	-	
26	Dig-Ins/Repeat Offenders	NO		-	-	-	-	-	
Total				\$ 55,000	\$ 24,000	\$ 194,520	\$ 194,520	-	

⁽¹⁾ Incremental Cost Forecasts are not included for those BPs from which Southwest Gas anticipates seeking an exemption as part of its Compliance Plan.

ADVICE LETTER NO. 1055
ATTACHMENT A

SOUTHWEST GAS CORPORATION
NATURAL GAS LEAK ABATEMENT PROGRAM TOTAL INCREMENTAL FORECASTED COSTS FOR 2018 and 2019⁽¹⁾
SOUTH LAKE TAHOE SERVICE TERRITORY

BP #	Title	Anticipated Exemption	Assigned Account (NGLAPMA, NERBA or NGLAPBA)	Capital (\$)		O & M (\$)		A & G (\$)	Amortization Method/Commission Authorization		
				2018	2019	2018	2019				
1	Compliance Plan	NO		-	-	-	-	-			
2	Methane GHG Policy	NO		-	-	-	-	-			
3	Pressure Reduction Policy	NO		-	-	-	-	-			
4	Project Scheduling Policy	NO		-	-	-	-	-			
5	Methane Evacuation Procedures	NO		-	-	-	-	-			
6	Methane Evacuation Work Orders Policy	NO		-	-	-	-	-			
7	Bundling Work Policy	NO		-	-	-	-	-			
8	Company Emergency Procedures	NO		-	-	-	-	-			
9	Recordkeeping	NO		-	-	-	-	-			
10	Minimize Uncontrolled Natural Gas Emissions Training	NO		-	-	-	-	-			
11	Methane Emissions Minimization Policies Training	NO		-	-	-	-	-			
12	Knowledge Continuity Training Programs	NO		-	-	-	-	-			
13	Performance Focused Training Programs	NO		-	-	-	-	-			
14	Formal Job Classifications (Exemption Allowed)	YES		-	-	-	-	-			
15	Gas Distribution Leak Surveys	NO		-	-	-	-	-			
16	Special Leak Surveys	NO		-	-	-	-	-			
17	Enhanced Methane Detection (Exemption Allowed)	YES		-	-	-	-	-			
18	Stationary Methane Detectors (Exemption Allowed)	YES		-	-	160,816	160,816	-	equal-cents-per-therm		
19	Above Ground Leak Surveys (Exemption Allowed)	YES	NGLAPBA	-	150,000	-	-	-			
20a	Quantification (Exemption Allowed)	YES		-	-	-	-	-			
20b	Geographic Tracking	NO		-	-	-	-	-			
21	"Find it/Fix it"	NO		-	-	-	-	-			
22	Pipe Fitting Specifications (Exemption Allowed)	YES		-	-	-	-	-			
23	Minimize Emissions from Operations, Maintenance and Other Activities	NO	NERBA	24,000	55,000	-	-	-	equal-cents-per-therm		
24	Dig-Ins/Public Education Program	NO		-	-	-	-	-			
25	Dig-Ins/Company Standby Monitors	NO		-	-	-	-	-			
26	Dig-Ins/Repeat Offenders	NO		-	-	-	-	-			
Total				\$	24,000	\$	205,000	\$	160,816	\$	160,816

⁽¹⁾ Incremental Cost Forecasts are not included for those BPs from which Southwest Gas anticipates seeking an exemption as part of its Compliance Plan.

Advice Letter No. 1055
Attachment B

2018-2019
Revenue Requirement and
Anticipated Rates

ADVICE LETTER NO. 1055
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 No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	"Find it/Fix it"	21		150,000	0	1
2	Minimize Emissions from Operations, Maintenance and Other Activities	23		<u>31,000</u>	<u>31,000</u>	2
3	Total Dollars			\$ 181,000	31,000	3
4	Pre-Tax Return			<u>10.80%</u>	<u>10.80%</u>	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			<u>\$ 28,250</u>	<u>4,838</u>	8
9	Franchise Rate		1.15%	<u>\$ 325</u>	<u>56</u>	9
10	Revenue Requirement After Franchise			<u>\$ 28,575</u>	<u>4,894</u>	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

ADVICE LETTER NO. 1055
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 No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	Stationary Methane Detectors (Capital)	18		\$ 150,000	150,000	1
2	Stationary Methane Detectors (O&M)	18		644,664	644,664	2
3	Total Dollars			\$ 794,664	794,664	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

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

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

ADVICE LETTER NO. 1055
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
NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
1	Minimize Emissions from Operations, Maintenance and Other Activities	23		\$ 55,000	24,000	1
2	Total Dollars			\$ 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

ADVICE LETTER NO. 1055
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
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			\$ 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

ADVICE LETTER NO. 1055
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
SOUTH LAKE TAHOE SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 (d)	2019 (e)	Line No.
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			\$ 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

ADVICE LETTER NO. 1055
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
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)	18		\$ 0	150,000	1
	Stationary Methane Detectors (O&M)	18		160,816	160,816	
2	Total Dollars			\$ 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

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

[2] 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: <input type="checkbox"/> ELC <input checked="" type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: Valerie J. Ontiveroz Phone #: (702) 876-7323 E-mail: valerie.ontiveroz@swgas.com
EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: 1055	
Subject of AL: <u>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.</u>	
Keywords (choose from CPUC listing): Compliance Filing	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: 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 withdrawn or rejected AL ¹ : Not applicable	
Resolution Required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Requested effective date: January 1, 2018	No. of tariff sheets: 7
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 ⁵ : See 'Subject of AL' above	
Pending advice letters that revise the same tariff sheets: Not applicable	
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:	
CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Ave. San Francisco, CA 94102 E-mail: edtariffunit@cpuc.ca.gov	Utility Info (including e-mail) Mr. Justin Lee Brown, Vice President/Regulation & Public Affairs Southwest Gas Corporation P. O. Box 98510 Las Vegas, NV 89193-8510 E-mail: justin.brown@swgas.com Facsimile: 702-364-3452

⁵ Discuss in AL if more space is needed.