

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 22, 2017

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

Advice Letter 1059

**Subject: Annual Regulatory Gas Account Balance Update for Rates  
Effective January 1, 2018**

Dear Mr. Brown:

Southwest Gas Corporation Advice Letter 1059 is approved as of the date of this letter for rates effective January 1, 2018. Pursuant to recommendations by the California State Auditor, Energy Division staff continues to conduct in-depth reviews of Southwest Gas Corporation gas balancing accounts. Balances in all accounts authorized for recovery are subject to audit, verification and adjustment.

Advice Letter 1059 includes the greenhouse gas compliance costs and allowance proceeds as informational forecasts and does not request to recover them in rates. Therefore, these costs and proceeds should not be incorporated into rates at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Randolph" with a stylized flourish.

Edward Randolph  
Director, Energy Division

cc: Valerie J. Ontiveroz, Regulatory Manager, [valerie.ontiveroz@swgas.com](mailto:valerie.ontiveroz@swgas.com)



## SOUTHWEST GAS CORPORATION

December 20, 2017

ATTN: Tariff Unit, Energy Division  
[edtariffunit@cpuc.ca.gov](mailto: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. 1059 – Substitute Sheets

Enclosed are an original and one (1) copy of substitute sheets for Southwest Gas Corporation's (Southwest Gas) Advice Letter No. (AL) 1059, filed on November 30, 2017. AL 1059 is Southwest Gas' annual update to balancing account surcharges and rates related to its Fixed Cost Adjustment Mechanism (FCAM), Interstate Transportation Cost Adjustment Mechanism (ITCAM), and upstream transportation and storage, effective January 1, 2018.

The purpose of this transmittal is to correct a typographical error in the FCAM surcharge rate component in the Charges and Adjustments contained on the Northern California Statement of Rates, Sheet Nos. 68 and 69. The FCAM rate for all customer rate schedules, excluding Schedule No. GN-70, was inadvertently noted as \$(0.01722), when the rate should have been \$(0.17220), which resulted in the miscalculation of the respective Effective Sales Rates per term for the affected rate schedules. The combined effect of this change will instead result in an annual revenue decrease of approximately \$2,086,372 or 6.73 percent versus an increase.

The following sheets in AL 1059 are affected by this update:

1. AL 1059 – Page 2
2. Advice Letter Summary Sheet
3. Sheet No. 68 and 69 – Statement of Rates for Northern California Service Area

Southwest Gas respectfully requests that the enclosed substitute sheets replace the originally submitted sheets in AL 1059.

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. 1059

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](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

Belinda Gatti  
Energy Division  
California Public Utilities Division  
[belinda.gatti@cpuc.ca.gov](mailto:belinda.gatti@cpuc.ca.gov)

Robert M. Pocta  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[rmp@cpuc.ca.gov](mailto:rmp@cpuc.ca.gov)

Nathaniel Skinner  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[nws@cpuc.ca.gov](mailto:nws@cpuc.ca.gov)

Pearlie Sabino  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[pzs@cpuc.ca.gov](mailto:pzs@cpuc.ca.gov)



**Purpose** *(continued)*

The combined effect of these changes will result in an annual revenue increase of approximately \$1,833,537 or 1.55 percent in the Southern California Division, a decrease of \$2,086,372 or 6.73 percent in the Northern California Division, and a decrease of \$1,062,558 or 4.72 percent in the South Lake Tahoe District.

**2) GHG Costs and Allowance Proceeds**

On October 22, 2015, the Commission issued D.15-10-032 resolving Phase 2 issues in Rulemaking (R.) 14-03-003,<sup>1</sup> including,

...methodologies for natural gas utilities to use when calculating forecast and recorded GHG allowance proceeds and GHG costs associated with complying with Cap-and-Trade, and it approves an advice letter process for the utilities to use when forecasting and reconciling reasonable GHG costs and allowance proceeds. Today's decision approves the 2015 forecasts presented in the utilities' preliminary statements and requires the utilities to include GHG costs in customers' rates on an equal-cents-per-therm basis. The decision also adopts a natural gas California Climate Credit for residential customer of those utilities.<sup>2</sup>

The Commission directed the natural gas utilities to utilize the tables provided in Appendix A to D.15-10-032 to annually forecast its GHG compliance costs and allowance proceeds<sup>3</sup> and also include a "...narrative summary describing activities completed in the current year, including any deviations from what was forecasted for the current year, and projecting activities in the forecast year..."<sup>4</sup> On April 7, 2016, the Commission approved D.16-04-013, which granted limited rehearing of D.15-10-032 regarding the return of GHG allowance proceeds to residential customers. D.16-04-013 vacated certain OPs, which effectively suspended the introduction of GHG costs into customer rates as well as the return of any GHG allowance proceeds.<sup>5</sup>

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<sup>1</sup> R.14-03-003, "Order Instituting Rulemaking to Address Natural Gas Distribution Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions," adopted by the Commission on March 12, 2014

<sup>2</sup> D.15-10-032, pgs. 2-3.

<sup>3</sup> Pursuant to Ordering Paragraph (OP) 6 in D.15-10-032, the natural gas utilities were directed to utilize the calculations, methodologies and procedures adopted in Appendix A to D.15-10-032 to implement the California Climate Credit and GHG compliance costs and include the Appendix A tables in their annual natural gas true-up advice letters that set transportation rates.

<sup>4</sup> D.15-10-032, pg. 19.

<sup>5</sup> D.16-04-013, OP 4 at pg. 6.

# 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. <b>Southwest Gas Corporation (U 905 G)</b>	
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: <b>Valerie J. Ontiveroz</b> Phone #: <b>(702) 876-7323</b> E-mail: <b>valerie.ontiveroz@swgas.com</b>
<b>EXPLANATION OF UTILITY TYPE</b> ELC = Electric     GAS = Gas PLC = Pipeline     HEAT = Heat     WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <b>1059</b>	
Subject of AL: <b><u>Update balancing account surcharges, adjust transportation and storage rates effective January 1, 2018.</u></b>	
Keywords (choose from CPUC listing): <b><u>Balancing Account Surcharges/Transportation &amp; Storage Rates</u></b>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annual <input type="checkbox"/> One-Time <input type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: <b><u>D.15-10-032, D.17-06-015</u></b>	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL <b><u>Not applicable</u></b>	
Summarize differences between the AL and the prior withdrawn or rejected AL <sup>1</sup> : <b><u>Not applicable</u></b>	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <b><u>January 1, 2018</u></b>	No. of tariff sheets: <b><u>7</u></b>
Estimated system annual revenue effect (%): <b><u>1.55% SCA, (6.73%) NCA and (4.72%) SLT</u></b>	
Estimated system average rate effect (%): <b><u>1.55% SCA, (6.73%) NCA and (4.72%) SLT</u></b>	
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: <b><u>Not applicable</u></b>	
Service affected and changes proposed <sup>6</sup> : <b><u>See 'Subject of AL' above</u></b>	
Pending advice letters that revise the same tariff sheets: <b><u>AL 1055: Tariff Sheet Nos. 65, 66, 67, 68, 69, 70, 71 and AL 1058: Tariff Sheet Nos. 65, 66, 68, 69, 70, 71</u></b>	
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:	
<b>CPUC, Energy Division</b> <b>Attention: Tariff Unit</b> <b>505 Van Ness Ave.</b> <b>San Francisco, CA 94102</b> <b>E-mail: edtariffunit@cpuc.ca.gov</b>	<b>Utility Info (including e-mail)</b> <b>Mr. Justin Lee Brown,</b> <b>Vice President/Regulation &amp; Public Affairs</b> <b>Southwest Gas Corporation</b> <b>P. O. Box 98510</b> <b>Las Vegas, NV 89193-8510</b> <b>E-mail: justin.brown@swgas.com</b> <b>Facsimile: 702-364-3452</b>

<sup>6</sup> Discuss in AL if more space is needed.

**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 CPUC	PPP	Gas Cost	Effective Sales Rate	
<b>GN-10-Residential Gas Service</b>								
Basic Service Charge	\$ 5.00						\$ 5.00	
Cost per Therm								
Baseline Quantities	\$ .73294	\$ .11372	\$ .84666	\$ .00139	\$ .02947	\$ .29111	\$ 1.16863	R
Tier II	.84375	.11372	.95747	.00139	.02947	.29111	1.27944	R
<b>GN-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00						\$ 4.00	
Cost per Therm								
Baseline Quantities	\$ .50539	\$ .11372	\$ .61911	\$ .00139	\$ .01755	\$ .29111	\$ .92916	R
Tier II	.59403	.11372	.70775	.00139	.01755	.29111	1.01780	R
<b>GN-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00						\$ 6.00	
Cost per Therm	\$ .88171	\$ .11372	\$ .99543	\$ .00139	\$ .02947	\$ .29111	\$ 1.31740	R
<b>GN-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Baseline Quantities	\$ .73294	\$ .11372	\$ .84666	\$ .00139	\$ .02947	\$ .29111	\$ 1.16863	R
Tier II	.84375	.11372	.95747	.00139	.02947	.29111	1.27944	R
<b>GN-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm								
Baseline Quantities	\$ .73294	\$ .11372	\$ .84666	\$ .00139	\$ .02947	\$ .29111	\$ 1.16863	R
Tier II	.84375	.11372	.95747	.00139	.02947	.29111	1.27944	R
Submetered Discount per Occupied Space	(\$11.01)						(\$11.01)	
<b>GN-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80						\$ 8.80	
Cost per Therm								
First 100	\$ .40502	\$ .11372	\$ .51874	\$ .00139	\$ .01755	\$ .29111	\$ .82879	R
Next 500	.30695	.11372	.42067	.00139	.01755	.29111	.73072	R
Next 2,400	.21149	.11372	.32521	.00139	.01755	.29111	.63526	R
Over 3,000	.06471	.11372	.17843	.00139	.01755	.29111	.48848	R
<b>GN-40-Core General Gas Service</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Transportation Service Charge	\$ 780.00						\$ 780.00	
Cost per Therm								
First 100	\$ .60748	\$ .11372	\$ .72120	\$ .00139	\$ .02947	\$ .29111	\$ 1.04317	R
Next 500	.48490	.11372	.59862	.00139	.02947	.29111	.92059	R
Next 2,400	.36557	.11372	.47929	.00139	.02947	.29111	.80126	R
Over 3,000	.18209	.11372	.29581	.00139	.02947	.29111	.61778	R
<b>GN-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$ .10134	\$ .11372	\$ .21506	\$ .00139	\$ .02947	\$ .29111	\$ .53703	R

**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			
<b>GN-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$ .28220	\$ .11372	\$ .39592	\$ .00139	\$ .02947	\$ .29111	\$ .71789	R
<b>GN-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$ .27613	\$ .11372	\$ .38985	\$ .00139		\$ .29111	\$ .68235	R
<b>GN-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$ 100.00						\$ 100.00	
Transportation Service Charge	\$ 780.00						\$ 780.00	
Cost per Therm	\$ .16986	(\$ .12483)	\$ .04503	\$ .00139	\$ .02947		\$ .07589	R
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm							\$ .00383	
<b>TDS - Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm							\$ .00163	
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
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 Reservation	\$ .02077					
IRRAM Surcharge		.26515				
Balancing Account Adjustments		.00000	\$ .00000			
FCAM*		(.17220)		(.12483)		
GHGBA**						
Non-Covered Entities						
Covered Entities						
<b>Total Rate Adjustment</b>	<b>\$ .11372</b>		<b>(\$ .12483)</b>			

\* 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 (LUAF).



## SOUTHWEST GAS CORPORATION

November 30, 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. 1059

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1059, together with California Gas Tariff Sheet Nos. 65-71.

Sincerely,

Valerie J. Ontiveroz  
Regulatory Manager/California

VJO:jjp  
Enclosures





# SOUTHWEST GAS CORPORATION

Advice Letter No. 1059

November 30, 2017

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
98th Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	96th Revised Sheet No. 65
99th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	97th Revised Sheet No. 66
53rd Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	51st Revised Sheet No. 67
96th Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	94th Revised Sheet No. 68
98th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	96th Revised Sheet No. 69
63rd Revised Sheet No. 70	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	61st Revised Sheet No. 70
98th Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	96th Revised Sheet No. 71

### Purpose

The purpose of this filing is to: 1) update balancing account surcharges related to the Fixed Cost Adjustment Mechanism (FCAM) and the Interstate Transportation Cost Adjustment Mechanism (ITCAM), and to update transportation and storage rates (Annual Adjustments) applicable to Southwest Gas' Southern California, Northern California and South Lake Tahoe Divisions; 2) address Decision (D.) 15-10-032 related to GHG Costs and Allowance Revenue Proceeds; and 3) address D.17-06-015 related to the Natural Gas Leak Abatement Program implementation costs.

#### **1) Annual Adjustments**

The calculation of Southwest Gas' 2017 FCAM and ITCAM balancing account surcharges and upstream transportation and storage rates are contained in Schedules I and II (Attachment 1).



**Purpose** *(continued)*

The combined effect of these changes will result in an annual revenue increase of approximately \$1,833,537 or 1.55 percent in the Southern California Division, an increase of \$1,615,684 or 5.14 percent in the Northern California Division, and a decrease of \$1,062,558 or 4.72 percent in the South Lake Tahoe District.

**2) GHG Costs and Allowance Proceeds**

On October 22, 2015, the Commission issued D.15-10-032 resolving Phase 2 issues in Rulemaking (R.) 14-03-003,<sup>1</sup> including,

...methodologies for natural gas utilities to use when calculating forecast and recorded GHG allowance proceeds and GHG costs associated with complying with Cap-and-Trade, and it approves an advice letter process for the utilities to use when forecasting and reconciling reasonable GHG costs and allowance proceeds. Today's decision approves the 2015 forecasts presented in the utilities' preliminary statements and requires the utilities to include GHG costs in customers' rates on an equal-cents-per-therm basis. The decision also adopts a natural gas California Climate Credit for residential customer of those utilities.<sup>2</sup>

The Commission directed the natural gas utilities to utilize the tables provided in Appendix A to D.15-10-032 to annually forecast its GHG compliance costs and allowance proceeds<sup>3</sup> and also include a "...narrative summary describing activities completed in the current year, including any deviations from what was forecasted for the current year, and projecting activities in the forecast year..."<sup>4</sup> On April 7, 2016, the Commission approved D.16-04-013, which granted limited rehearing of D.15-10-032 regarding the return of GHG allowance proceeds to residential customers. D.16-04-013 vacated certain OPs, which effectively suspended the introduction of GHG costs into customer rates as well as the return of any GHG allowance proceeds.<sup>5</sup>

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<sup>1</sup> R.14-03-003, "Order Instituting Rulemaking to Address Natural Gas Distribution Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions," adopted by the Commission on March 12, 2014

<sup>2</sup> D.15-10-032, pgs. 2-3.

<sup>3</sup> Pursuant to Ordering Paragraph (OP) 6 in D.15-10-032, the natural gas utilities were directed to utilize the calculations, methodologies and procedures adopted in Appendix A to D.15-10-032 to implement the California Climate Credit and GHG compliance costs and include the Appendix A tables in their annual natural gas true-up advice letters that set transportation rates.

<sup>4</sup> D.15-10-032, pg. 19.

<sup>5</sup> D.16-04-013, OP 4 at pg. 6.



**Purpose** *(continued)*

On October 16, 2017, the Commission issued a Proposed Decision (PD) modifying D.15-10-032. The PD specifies the mechanisms for reconciling GHG costs and revenues accrued from 2015-2017, as well as the timing for cost recovery and distribution of the California Climate Credit for both residential and non-residential natural gas utility customers. The PD requires the respondent natural gas utilities to respectively submit advice letters within 45 days and 60 days from the effective date of the decision to implement the residential and non-residential California Climate Credit as well as include GHG compliance costs into rates utilizing the Tables adopted in Appendix A to D.15-10-032. Therefore, Southwest Gas has not included information in this filing to implement the California Climate Credit or GHG compliance costs recovery, and will instead submit its 2015-2017 costs and revenues in the advice letter filings submitted in compliance with the Commission's final decision.

**3) Natural Gas Leak Abatement Program Costs**

On October 31, 2017, Southwest Gas filed its 2018 and 2019 ratemaking forecasts for the Natural Gas Leak Abatement Best Practices in compliance with OP 10 in D.17-06-015. This decision contemplated that rates associated with Natural Gas Leak Abatement Program costs (NERBA, NGLAPBA and NGLAPMA, as applicable) would become effective January 1, 2018, in conjunction with the Company's annual true-up filing. However, the Commission Resolution approving these costs has not been received, therefore, Southwest Gas has not included recovery of the Natural Gas Leak Abatement Program costs in this filing.

**Effective Date**

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after Energy Division approval) pursuant to GO 96-B. Southwest Gas respectfully requests the adjustments to balancing account surcharges applicable to FCAM, ITCAM as well as updates to the upstream pipeline transportation and storage rates proposed herein be approved December 30, 2017, which is thirty (30) calendar days from the date of filing, 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:

ATTN: Tariff Unit  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
Email: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)  
Facsimile: 415-703-2200



Advice Letter No. 1059  
Page 4  
November 30, 2017

**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, emailed or faxed 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](mailto: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 the adjustments proposed herein are being filed pursuant to Southwest Gas' approved California gas tariff.

**Service**

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter and related tariff sheets to the utilities and interested parties shown on the attached distribution 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  
Email: [valerie.ontiveroz@swgas.com](mailto:valerie.ontiveroz@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:

---

Justin Lee Brown

Attachments

**Distribution List**

Advice Letter No. 1059

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](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

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Nathaniel Skinner  
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[nws@cpuc.ca.gov](mailto:nws@cpuc.ca.gov)

Pearlie Sabino  
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California Public Utilities Commission  
[pzs@cpuc.ca.gov](mailto: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. <b>Southwest Gas Corporation (U 905 G)</b>	
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: <b>Valerie J. Ontiveroz</b> Phone #: <b>(702) 876-7323</b> E-mail: <b>valerie.ontiveroz@swgas.com</b>
EXPLANATION OF UTILITY TYPE ELC = Electric     GAS = Gas PLC = Pipeline     HEAT = Heat     WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <b>1059</b>	
Subject of AL: <b><u>Update balancing account surcharges, adjust transportation and storage rates effective January 1, 2018.</u></b>	
Keywords (choose from CPUC listing): <b><u>Balancing Account Surcharges/Transportation &amp; Storage Rates</u></b>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annual <input type="checkbox"/> One-Time <input type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: <b><u>D.15-10-032, D.17-06-015</u></b>	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL <b><u>Not applicable</u></b>	
Summarize differences between the AL and the prior withdrawn or rejected AL <sup>6</sup> : <b><u>Not applicable</u></b>	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <b><u>January 1, 2018</u></b>	No. of tariff sheets: <b><u>7</u></b>
Estimated system annual revenue effect (%): <b><u>1.55% SCA, 5.14% NCA and (4.72%) SLT</u></b>	
Estimated system average rate effect (%): <b><u>1.55% SCA, 5.14% NCA and (4.72%) SLT</u></b>	
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: <b><u>Not applicable</u></b>	
Service affected and changes proposed <sup>6</sup> : <b><u>See 'Subject of AL' above</u></b>	
Pending advice letters that revise the same tariff sheets: <b><u>AL 1055: Tariff Sheet Nos. 65, 66, 67, 68, 69, 70, 71 and AL 1058: Tariff Sheet Nos. 65, 66, 68, 69, 70, 71</u></b>	
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:	
<b>CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Ave. San Francisco, CA 94102 E-mail: <a href="mailto:edtariffunit@cpuc.ca.gov">edtariffunit@cpuc.ca.gov</a></b>	<b>Utility Info (including e-mail) Mr. Justin Lee Brown, Vice President/Regulation &amp; Public Affairs Southwest Gas Corporation P. O. Box 98510 Las Vegas, NV 89193-8510 E-mail: <a href="mailto:justin.brown@swgas.com">justin.brown@swgas.com</a> Facsimile: 702-364-3452</b>

<sup>6</sup> Discuss in AL if more space is needed.

**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		
<b>GS-10-Residential Gas Service</b>								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$ .69366	\$ .14681	\$ .84047	\$ .00139	\$ .14256	\$ .28928	\$ 1.27370	
Tier II	\$ .86493	.14681	1.01174	.00139	.14256	.28928	1.44497	
<b>GS-11-Residential Air-Conditioning Gas Service</b>								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Tier I	\$ .69366	\$ .14681	\$ .84047	\$ .00139	\$ .14256	\$ .28928	\$ 1.27370	
Tier II	.86493	.14681	1.01174	.00139	.14256	.28928	1.44497	
Air-Conditioning	\$ .34683	.14681	.49364	.00139	.14256	.28928	.92687	
<b>GS-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$ .46771	\$ .14681	\$ .61452	\$ .00139	\$ .01755	\$ .28928	\$ .92274	
Tier II	.60473	.14681	.75154	.00139	.01755	.28928	\$ 1.05976	
<b>GS-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ 1.06499	\$ .14681	\$ 1.21180	\$ .00139	\$ .14256	\$ .28928	\$ 1.64503	
<b>GS-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$ .69366	\$ .14681	\$ .84047	\$ .00139	\$ .14256	\$ .28928	\$ 1.27370	
Tier II	.86493	.14681	1.01174	.00139	.14256	.28928	1.44497	
<b>GS-25 -Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$ .69366	\$ .14681	\$ .84047	\$ .00139	\$ .14256	\$ .28928	\$ 1.27370	
Tier II	.86493	.14681	1.01174	.00139	.14256	.28928	1.44497	
Submetered Discount per Occupied Space	(\$7.69)						(\$7.69)	
<b>GS-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80							\$ 8.80
Cost per Therm								
First 100	\$ .40789	\$ .14681	\$ .55470	\$ .00139	\$ .01755	\$ .28928	\$ .86292	
Next 500	.27772	.14681	.42453	.00139	.01755	.28928	.73275	
Next 2,400	.17357	.14681	.32038	.00139	.01755	.28928	.62860	
Over 3,000	.05368	.14681	.20049	.00139	.01755	.28928	.50871	
<b>GS-40-Core General Gas Service</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$ .61888	\$ .14681	\$ .76569	\$ .00139	\$ .14256	\$ .28928	\$ 1.19892	
Next 500	\$ .45617	.14681	.60298	.00139	.14256	.28928	1.03621	
Next 2,400	\$ .32599	.14681	.47280	.00139	.14256	.28928	.90603	
Over 3,000	\$ .17612	.14681	.32293	.00139	.14256	.28928	.75616	

Advice Letter No. 1059  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed November 30, 2017  
Effective January 1, 2018  
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		
<b>GS-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .12183	\$ .14681	\$ .26864	\$ .00139	\$ .14256	\$ .28928		\$ .70187
<b>GS-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .18132	\$ .14681	\$ .32813	\$ .00139	\$ .14256	\$ .28928		\$ .76136
<b>GS-LUZ-Solar Electric Generation Gas Service</b>								
Basic Service Charge	\$50.00							\$50.00
Cost per Therm	\$ .05217	\$ .00176	\$ .05393	\$ .00139				\$ .05532
<b>GS-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .26205	\$ .14681	\$ .40886	\$ .00139		\$ .28928		\$ .69953
<b>GS-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$100.00							\$100.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm	\$ .13261	\$ .04719	\$ .17980	\$ .00139	\$ .14256			\$ .32375
<b>GS-VIC City of Victorville Gas Service</b>								
Basic Service Charge	\$11.00							\$ 11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm	\$ .37077	\$ .14681	\$ .51758	\$ .00139		\$ .28928		\$ .80825
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm								\$ .00349
<b>TDS - Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm								\$ .00220
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
MHPS Surcharge per Space per Month								\$ .21000



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

Schedule No. and Type of Change	Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP		
<p>[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.</p> <p>[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:</p>							
		GS-10, GS-11, GS-35, GS-12, GS-40, GS-15, GS-50, GS-20, GS-60, GS-25 GS-66	GS-70	GS-VIC	GS-LUZ		
<b>Upstream Intrastate Charges</b>							
Storage	\$	.01157		\$ .01157			
Variable		.03932	\$ .03932	.03932			
Upstream Interstate Reservation Charges		.05352		.05352			
IRRAM Surcharge		.00000	.00000				
<b>Balancing Account Adjustments</b>							
FCAM*		.03629	.00176	.03629	\$ .00176		
ITCAM		.00611	.00611	.00611			
<b>GHGBA**</b>							
Non-Covered Entities							
Covered Entities							
<b>Total Rate Adjustment</b>	<b>\$</b>	<b>.14681</b>	<b>\$ .04719</b>	<b>\$ .14681</b>	<b>\$ .00176</b>		

\* 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		
<b>GN-10-Residential Gas Service</b>								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$ .73294	\$ .26870	\$ 1.00164	\$ .00139	\$ .02947	\$ .29111		\$ 1.32361
Tier II	.84375	.26870	1.11245	.00139	.02947	.29111		1.43442
<b>GN-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$ .47439	\$ .26870	\$ .74309	\$ .00139	\$ .01755	\$ .29111		\$ 1.05314
Tier II	.56304	.26870	.83174	.00139	.01755	.29111		1.14179
<b>GN-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ .88171	\$ .26870	\$ 1.15041	\$ .00139	\$ .02947	\$ .29111		\$ 1.47238
<b>GN-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$ .73294	\$ .26870	\$ 1.00164	\$ .00139	\$ .02947	\$ .29111		\$ 1.32361
Tier II	.84375	.26870	1.11245	.00139	.02947	.29111		1.43442
<b>GN-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$ .73294	\$ .26870	\$ 1.00164	\$ .00139	\$ .02947	\$ .29111		\$ 1.32361
Tier II	.84375	.26870	1.11245	.00139	.02947	.29111		1.43442
Submetered Discount per Occupied Space	(\$11.01)							(\$11.01)
<b>GN-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80							\$ 8.80
Cost per Therm								
First 100	\$ .37402	\$ .26870	\$ .64272	\$ .00139	\$ .01755	\$ .29111		\$ .95277
Next 500	.27596	.26870	.54466	.00139	.01755	.29111		.85471
Next 2,400	.18049	.26870	.44919	.00139	.01755	.29111		.75924
Over 3,000	.03371	.26870	.30241	.00139	.01755	.29111		.61246
<b>GN-40-Core General Gas Service</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$ .60748	\$ .26870	\$ .87618	\$ .00139	\$ .02947	\$ .29111		\$ 1.19815
Next 500	.48490	.26870	.75360	.00139	.02947	.29111		1.07557
Next 2,400	.36557	.26870	.63427	.00139	.02947	.29111		.95624
Over 3,000	.18209	.26870	.45079	.00139	.02947	.29111		.77276
<b>GN-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$ .10134	\$ .26870	\$ .37004	\$ .00139	\$ .02947	\$ .29111		\$ .69201

Advice Letter No. 1059  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed November 30, 2017  
Effective January 1, 2018  
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		
<b>GN-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$ .28220	\$ .26870		\$ .55090	\$ .00139	\$ .02947	\$ .29111	\$ .87287
<b>GN-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$ .27613	\$ .26870		\$ .54483	\$ .00139		\$ .29111	\$ .83733
<b>GN-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$ .16986	(\$ .12483)		\$ .04503	\$ .00139	\$ .02947		\$ .07589
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm								\$ .00383
<b>TDS – Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm								\$ .00163
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
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
<b>Upstream Interstate Charges</b>			
Storage	\$ .02077		
Reservation	.26515		
IRRAM Surcharge	.00000		\$ .00000
<b>Balancing Account Adjustments</b>			
FCAM*	(.01722)		(.12483)
GHGBA**			
Non-Covered Entities			
Covered Entities			
<b>Total Rate Adjustment</b>	<b>\$ .26870</b>	<b>(\$ .12483)</b>	

\* 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 (LUAF).

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

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC	PPP	Gas Cost	Effective Sales Rate	
<b>SLT-10-Residential Gas Service</b>								
Basic Service Charge	\$ 5.00						\$ 5.00	
Cost per Therm								
Baseline Quantities	\$ .32198	\$ .21919	\$ .54117	\$ .00139	\$ .02947	\$ .29111	\$ .86314	R
Tier II	.40952	.21919	.62871	.00139	.02947	.29111	.95068	R
<b>SLT-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00						\$ 4.00	
Cost per Therm								
Baseline Quantities	\$ .15552	\$ .21919	\$ .37471	\$ .00139	\$ .01755	\$ .29111	\$ .68476	R
Tier II	.22556	.21919	.44475	.00139	.01755	.29111	.75480	R
<b>SLT-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00						\$ 6.00	
Cost per Therm	\$ .44620	\$ .21919	\$ .66539	\$ .00139	\$ .02947	\$ .29111	\$ .98736	R
<b>SLT-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Cost per Therm								
Baseline Quantities	\$ .32198	\$ .21919	\$ .54117	\$ .00139	\$ .02947	\$ .29111	\$ .86314	R
Tier II	.40952	.21919	.62871	.00139	.02947	.29111	.95068	R
<b>SLT-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Cost per Therm								
Baseline Quantities	\$ .32198	\$ .21919	\$ .54117	\$ .00139	\$ .02947	\$ .29111	\$ .86314	R
Tier II	.40952	.21919	.62871	.00139	.02947	.29111	.95068	R
Submetered Discount per Occupied Space	(\$7.69)						(\$ 7.69)	
<b>SLT-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80						\$ 8.80	
Cost per Therm								
First 100	\$ .24508	\$ .21919	\$ .46427	\$ .00139	\$ .01755	\$ .29111	\$ .77432	R
Next 500	.19300	.21919	.41219	.00139	.01755	.29111	.72224	R
Next 2,400	.14093	.21919	.36012	.00139	.01755	.29111	.67017	R
Over 3,000	.04712	.21919	.26631	.00139	.01755	.29111	.57636	R
<b>SLT-40-Core General Gas Service</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Transportation Service Charge	\$ 780.00						\$ 780.00	
Cost per Therm								
First 100	\$ .43392	\$ .21919	\$ .65311	\$ .00139	\$ .02947	\$ .29111	\$ .97508	R
Next 500	.36883	.21919	.58802	.00139	.02947	.29111	.90999	R
Next 2,400	.30374	.21919	.52293	.00139	.02947	.29111	.84490	R
Over 3,000	.18647	.21919	.40566	.00139	.02947	.29111	.72763	R
<b>SLT-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$ 11.00						\$ 11.00	
Cost per Therm	\$ .20921	\$ .21919	\$ .42840	\$ .00139	\$ .02947	\$ .29111	\$ .75037	R

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**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTH LAKE TAHOE 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			
<b>SLT-60-Core Internal Combustion Engine Gas Service</b>									
Basic Service Charge	\$ 11.00							\$ 11.00	
Cost per Therm	\$ .23812	\$ .21919		\$ .45731	\$ .00139	\$ .02947	\$ .29111	\$ .77928	R
<b>SLT-66-Core Small Electric Power Generation Gas Service</b>									
Basic Service Charge	\$ 11.00							\$ 11.00	
Cost per Therm	\$ .23812	\$ .21919		\$ .45731	\$ .00139		\$ .29111	\$ .74981	R
<b>SLT-70-Noncore General Gas Transportation Service</b>									
Basic Service Charge	\$ 100.00							\$ 100.00	
Transportation Service Charge	\$ 780.00							\$ 780.00	
Cost per Therm	\$ .17267	(\$ .01936)		\$ .15331	\$ .00139	\$ .02947		\$ .18417	R
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>									
TFF Surcharge per Therm								\$ .00383	
<b>TDS-Transportation Distribution System Shrinkage Charge</b>									
TDS Charge per Therm								\$ .00163	
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>									
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	
<b>Upstream Interstate Charges</b>				
Storage	\$ .02077			
Reservation	.26515			
IRRAM Surcharge	.00000		\$ .00000	
Balancing Account Adjustment				
FCAM *	( .06673)		( .01936)	
GHGBA				
Non-Covered Entities				
Covered Entities				
<b>Total Rate Adjustment</b>	<b>\$ .21919</b>		<b>(\$ .01936)</b>	

\* The FCAM surcharge includes an amount of (\$0.01936) 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).

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**Advice Letter No. 1059**  
**Attachment 1**

Schedules

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA DIVISION  
BALANCING ACCOUNT SURCHARGE RATES  
TWELVE-MONTHS ENDING OCTOBER 31, 2017**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate [1]	1.630%		1
<u>Fixed Cost Adjustment Mechanism (FCAM)</u>				
2	Upstream Fixed Charges Balance [2]	\$ 2,802,047		2
3	Total Core Volumes (Therms) [3]	82,480,203		3
4	Upstream Fixed Charges Included in Rates (Ln. 2/Ln.3)*(1+Ln.1)		<u>\$ 0.03453</u>	4
5	Margin Balance [2]	\$ 159,272		5
6	Total Throughput Less Special Contract Volumes (Therms) [3]	92,058,686		6
7	Margin Balance Amount Included in Rates (Ln. 5/Ln.6)*(1+Ln.1)		<u>\$ 0.00176</u>	7
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 7)		<u><u>\$ 0.03629</u></u>	8
<u>Intrastate Transportation Account Mechanism (ITCAM)</u>				
9	Upstream Variable Charges [2]	\$ 553,542		9
10	ITCAM Surcharge Rate (Ln. 9/Ln. 6)*(1+Ln.1)		<u><u>\$ 0.00611</u></u>	10

[1] Authorized by Commission in D.14-06-028.

[2] Ending account balances at October 31, 2017.

[3] Forecasted volumes twelve-months ended December 31, 2018.

**SOUTHWEST GAS CORPORATION  
NORTHERN CALIFORNIA DIVISION  
BALANCING ACCOUNT SURCHARGE RATES  
TWELVE-MONTHS ENDING OCTOBER 31, 2017**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate [1]	1.459%		1
	<u>Fixed Cost Account Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [2]	\$(2,304,269)		2
3	Total Core Volumes (Therms) [3]	49,352,689		3
4	Upstream Fixed Charges Included in Rates (Ln. 2/Ln.3)*(1+Ln.1)		<u>\$ (0.04737)</u>	4
5	Margin Balance [2]	\$(3,383,905)		5
6	Total Throughput (Therms) [4]	27,503,784		6
7	Margin Balance Amount Included in Rates (Ln. 5/Ln.6)*(1+Ln.1)		<u>\$ (0.12483)</u>	7
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 7)		<u><u>\$ (0.17220)</u></u>	8

[1] Authorized by Commission in D.14-06-028.

[2] Ending account balances at October 31, 2017.

[3] Northern California & South Lake Tahoe Jurisdictions combined forecasted volumes, twelve-months ended December 31, 2018.

[4] Northern California forecasted volumes twelve-months ended December 31, 2018.



**SOUTHWEST GAS CORPORATION  
SOUTH LAKE TAHOE DIVISION  
BALANCING ACCOUNT SURCHARGE RATES  
TWELVE-MONTHS ENDING OCTOBER 31, 2017**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate [1]	1.459%		1
	<u>Fixed Cost Adjustment Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [2]	\$(2,304,269)		2
3	Total Core Volumes (Therms) [3]	49,352,689		3
4	Upstream Fixed Charges Included in Rates (Ln. 2/Ln.3)*(1+Ln.1)		<u>\$ (0.04737)</u>	4
5	Margin Balance [2]	\$ (434,967)		5
6	Total Throughput (Therms) [4]	22,791,657		6
7	Margin Balance Amount Included in Rates (Ln. 5/Ln.6)*(1+Ln.1)		<u>\$ (0.01936)</u>	7
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 7)		<u><u>\$ (0.06673)</u></u>	8

[1] Authorized by Commission in D.14-06-028.

[2] Ending account balances at October 31, 2017.

[3] Northern California & South Lake Tahoe Jurisdictions combined forecasted volumes, twelve-months ended December 31, 2018.

[4] South Lake Tahoe forecasted volumes, twelve-months ended December 31, 2018.

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA  
UPSTREAM PIPELINE CHARGES AND STORAGE COSTS**

Line No.	Description (a)	Annual Volumes (b)	Rate (c)	Annual Amount (d)=(b)*(c)	Rate per Therm (e)	Line No.
1	Franchise & Uncollectible Rate [1]		1.62990%			1
<u>Upstream Interstate Reservation Charges</u>						
2	Kern River Transmission Company (Kern) (Dth/Day)	9,125,000	\$ 0.19510	\$ 1,780,288		2
3	G-BTS2 Southern California Gas Company (SoCal) Backbone Transportation Service (Dth/Day)	9,125,000	\$ 0.24474	\$ 2,233,253		3
4	GT-SWGX SoCal Pisgah Meter Station (Months)	12	\$ 27,505	\$ 330,060		4
5	Total Annual Reservation Cost			<u>\$ 4,343,600</u>		5
6	Total Core Sales Volumes (Therms) [2]	82,480,203				6
7	Reservation Rate (Ln.7/Ln.8)*(1+Ln.1)				<u>\$ 0.05352</u>	7
<u>Upstream Intrastate Storage Charges</u>						
8	G-TBS SoCal Transaction Based Storage Service - Inventory Storage Reservation Charge (Dth/Day)	617,836,230	\$ 0.00152	\$ 939,111		8
9	Total Annual Storage Cost			<u>\$ 939,111</u>		9
10	Total Core Throughput (Therms) [3]	82,480,203				10
11	Storage Rate (Ln.9/Ln.10)*(1+Ln.1)				<u>\$ 0.01157</u>	11
<u>Upstream Intrastate Variable Charges</u>						
12	GT-TLS (GT-9CA) SoCal Intrastate Transportation Service (Therms)	96,883,984	\$ 0.01464	\$ 1,418,382		12
13	GT-SWGX SoCal Exchange Wholesale Natural Gas Service (Therms)	22,767,736	\$ 0.09753	\$ 2,220,537		13
14	GT-SWGX SoCal Exchange Wholesale Natural Gas Service (Therms)	341,516	\$ 0.11060	\$ 37,772		14
15	Kern Transmission Service (Therms)	98,523,763	\$ 0.00044	\$ 43,350		15
16	Total Annual Variable Cost			<u>\$ 3,720,041</u>		16
17	Total Throughput (Therms) [4]	96,147,666				17
18	Variable Rate (Ln.16/Ln.17)*(1+Ln.1)				<u>\$ 0.03932</u>	18

[1] Authorized by Commission in Order D.14-06-028.

[2] Forecasted core sales volumes, twelve-months ended December 31, 2017.

[3] Forecasted total core throughput, twelve-months ended December 31, 2017.

[4] Forecasted total throughput, less exempt volumes, twelve-months ended December 31, 2017.

**SOUTHWEST GAS CORPORATION**  
**NORTHERN CALIFORNIA RATE JURISDICTION AND SOUTH LAKE TAHOE RATE JURISDICTION**  
**UPSTREAM PIPELINE AND STORAGE COSTS**

Line No.	Description (a)	Annual Volumes (b)	Rate (c)	Annual Amount (d)=(b)*(c)	Rate per Therm (e)	Line No.
1	Franchise & Uncollectible Rate [1]		1.45890%			1
2	Total Core Throughput (Therms) [2]	48,471,646				2
<u>Upstream Interstate Reservation Charges</u>						
3	Northwest Pipeline	2,284,920	\$ 1.24708	\$ 2,849,486		3
4	Paiute Pipeline FT-1 (F47, F50, F51)	4,498,870	\$ 1.02286	4,601,714		4
5	Paiute Pipeline 2010 Incremental Expansion (F45)	198,840	\$ 1.74114	346,208		5
6	Tuscarora Pipeline	960,000	\$ 0.83615	4,816,224		6
7	Ruby Pipeline	355,000	\$ 0.15208	53,988		7
8	Total Reservation Cost			<u>\$12,667,620</u>		8
9	Reservation Rate (Ln.8/Ln.2)*(1+Ln.1)				<u>\$ 0.26515</u>	9
<u>Upstream Interstate Storage Charges</u>						
Paiute Pipeline Company						
LGS-1 Liquefied Gas Storage Service						
10	Storage Charge	1,504,860	\$ 0.02748	\$ 496,243		10
11	Delivery Charge	114,000	\$ 0.36275	496,242		11
12	Total Storage Cost			<u>\$ 992,485</u>		12
13	Total Storage Rate (Ln.12/Ln.2)*(1+Ln.1)				<u>\$ 0.02077</u>	13

[1] Authorized by Commission in Order D.14-06-028.

[2] Combined forecasted volumes for Northern California & South Lake Tahoe Jurisdictions, twelve-months ended December 31, 2017.