

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 26, 2018

Advice Letter 1063-G

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

SUBJECT: To update procurement charges applicable to Schedule No. GCP for core customers and the Transportation Franchise (TFF) and Transportation Distribution Shrinkage (TDS) Surcharges applicable to core and noncore customers in Southwest Gas' Cal service areas, in addition to incorporating the FCAM, ITCAM, balancing account surcharge adjustments, attrition, PPP and CPUC Reimbursement Fee

Dear Mr. Brown:

Advice Letter 1063-G is effective as of January 1, 2018.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

December 29, 2017

ATTN: Tariff Unit, Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 1063

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1063, together with California Gas Tariff Sheet Nos. 65, 66, 68-71 and 123.

Sincerely,

Valerie J. Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1063

December 29, 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. ¹
101st Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	97th -100th Revised Sheet No. 65
102nd Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	98th - 101st Revised Sheet No. 66
99th Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	95th - 98th Revised Sheet No. 68
101st Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	97th - 100th Revised Sheet No. 69
66th Revised Sheet No. 70	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	62nd - 65th Revised Sheet No. 70
101st Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	97th - 100th Revised Sheet No. 71
81st Revised Sheet No. 123	Schedule No. GCP – Gas Procurement for Core Customers	80th Revised Sheet No. 123

¹ Includes the cancellation of substitute Sheet Nos. 68* and 69*, which were submitted with Advice Letter No. 1059.



Purpose

The purpose of this routine monthly filing is to revise the above listed tariff sheets by updating: (1) procurement charges applicable to Schedule No. GCP, Gas Procurement for Core Customers, in compliance with the California Public Utilities Commission's (Commission) letter dated October 20, 2000, approving Southwest Gas' Advice Letter No. 619; (2) the Transportation Franchise Fee (TFF) Surcharge applicable to core and noncore customers who secure their own sources of supply, pursuant to Public Utilities Code, Sections 6350 to 6354, *et seq*; and (3) the Transportation Distribution Shrinkage (TDS) Charge, in accordance with Decision No. (D.)14-06-028.

For core sales customers, the January 2018 cost of gas, including adjustment for franchises and uncollectibles, is \$0.37013 per therm for Southwest Gas' Southern California Service Area and \$0.28596 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TFF Surcharge rate is \$0.00441 per therm for Southwest Gas' Southern California Service Area and \$0.00368 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TDS Charge is \$0.00281 per therm for Southwest Gas' Southern California Service Area and \$0.00160 for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

This results in an increase in rates of 1.29% for Southern California, a decrease in rates of 1.63% for Northern California, and a decrease in rates of 2.11% for South Lake Tahoe customers.

Additionally, the attached tariff sheets incorporate the following rate adjustments approved by the Energy Division, effective January 1, 2018:

- Advice Letter No. 1054 – Adjustments to Public Purpose Program Surcharges;
- Advice Letter No. 1058 – 2018 Annual Attrition Adjustment;
- Advice Letter No. 1059 – Annual Filing to Update Pipeline Rates and Balancing Account Surcharges; and
- Advice Letter No. 1061 – Update to the Commission's Reimbursement Account Fee pursuant to Resolution M-4832.²

Inclusion of these rates with the Monthly Gas Cost, result in an overall increase in rates of 1.99% for Southern California, and an overall decrease in rates of (6.61%) for Northern California, and (5.71%) for South Lake Tahoe customers.

² Advice Letter No. 1061 was filed on December 20, 2017, with a Tier 1 designation or effective pending disposition, pursuant to (GO) 96-B, General Rule 7.3.3.



Advice Letter No. 1063
Page 3
December 29, 2017

Effective Date

Advice Letter No. 626 authorized Southwest Gas to make its monthly gas cost adjustment effective between the first and seventh calendar day of each month. Therefore, Southwest Gas requests the gas cost adjustments be effective January 1, 2018. This Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. The protest must be sent no later than 20 days after the date of this Advice Letter filing and shall be sent by letter via U.S. Mail, facsimile, or electronically mailed. The address for mailing or delivering a protest to the Commission is:

ATTN: Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102
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, 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
Facsimile: 702-364-3452

Notice

Pursuant to Energy Industry Rule 3.1(2), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is filed in accordance with previously authorized procedures as noted herein.

Service

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



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Page 4
December 29, 2017

Service (Continued)

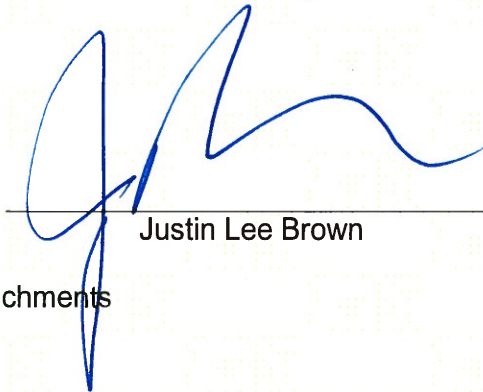
Communications regarding this filing should be directed to:

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

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:

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

Justin Lee Brown

Attachments

Distribution List

Advice Letter No. 1063

In conformance with GO 96-B, General Rule 4.3

The following individual has been served by regular, first-class mail:

Elizabeth Echols, Director
Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94105

The following individuals or entities have been served by electronic mail:

Pacific Gas & Electric Company
PGETariffs@pge.com

Southern California Gas Company
ROrtiz@SempraUtilities.com

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

Belinda Gatti
Energy Division
California Public Utilities Commission
belinda.gatti@cpuc.ca.gov

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

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

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

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

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) #: **1063**

Subject of AL: **To update procurement charges applicable to Schedule No. GCP for core customers and the Transportation Franchise Fee (TFF) and Transportation Distribution Shrinkage (TDS) Surcharges applicable to core and noncore customers in Southwest Gas' California service areas, in addition to incorporating the FCAM, ITCAM, balancing account surcharge adjustments, attrition, PPP and CPUC Reimbursement Fee.**

Keywords (choose from CPUC listing): **Increased rates in Southern California (SCA) and decreased rates in Northern California (NCA) and South Lake Tahoe (SLT).**

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

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

Summarize differences between the AL and the prior withdrawn or rejected AL¹: **Not applicable**

Resolution Required? Yes No

Requested effective date: **January 1, 2018**

No. of tariff sheets: **7**

Estimated system annual revenue effect (%): **1.29% SCA, (1.63%) NCA, and (2.11%) SLT**

Estimated system average rate effect (%): **1.29% SCA, (1.63%) NCA, and (2.11%) SLT**

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **Schedule No. GCP – Gas Procurement for Core Customers**

Service affected and changes proposed³: **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**

**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**

³ 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]		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	\$.14681	\$.86042	\$.00166	\$.11505	\$.37013		\$ 1.34726
Tier II	\$.88488	.14681	1.03169	.00166	.11505	.37013		1.51853
GS-11-Residential Air-Conditioning Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Tier I	\$.71361	\$.14681	\$.86042	\$.00166	\$.11505	\$.37013		\$ 1.34726
Tier II	.88488	.14681	1.03169	.00166	.11505	.37013		1.51853
Air-Conditioning	\$.35681	.14681	.50362	.00166	.11505	.37013		.99046
GS-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.46750	\$.14681	\$.61431	\$.00166	\$.01587	\$.37013		\$ 1.00197
Tier II	.60452	.14681	.75133	.00166	.01587	.37013		\$ 1.13899
GS-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ 1.09366	\$.14681	\$ 1.24047	\$.00166	\$.11505	\$.37013		\$ 1.72731
GS-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.14681	\$.86042	\$.00166	\$.11505	\$.37013		\$ 1.34726
Tier II	.88488	.14681	1.03169	.00166	.11505	.37013		1.51853
GS-25 -Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$.71361	\$.14681	\$.86042	\$.00166	\$.11505	\$.37013		\$ 1.34726
Tier II	.88488	.14681	1.03169	.00166	.11505	.37013		1.51853
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	\$.40533	\$.14681	\$.55214	\$.00166	\$.01587	\$.37013		\$.93980
Next 500	.27158	.14681	.41839	.00166	.01587	.37013		.80605
Next 2,400	.16458	.14681	.31139	.00166	.01587	.37013		.69905
Over 3,000	.03867	.14681	.18548	.00166	.01587	.37013		.57314
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	\$.14681	\$.78271	\$.00166	\$.11505	\$.37013		\$ 1.26955
Next 500	\$.46871	.14681	.61552	.00166	.11505	.37013		1.10236
Next 2,400	\$.33496	.14681	.48177	.00166	.11505	.37013		.96861
Over 3,000	\$.17757	.14681	.32438	.00166	.11505	.37013		.81122

Advice Letter No. 1063
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed December 29, 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		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Adjustments			CPUC	PPP		
<u>GS-50-Core Natural Gas Service for Motor Vehicles</u>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$.12468	\$.14681		\$.27149	\$.00166	\$.11505	\$.37013	\$.75833
<u>GS-60-Core Internal Combustion Engine Gas Service</u>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$.18581	\$.14681		\$.33262	\$.00166	\$.11505	\$.37013	\$.81946
<u>GS-LUZ-Solar Electric Generation Gas Service</u>								
Basic Service Charge	\$50.00							\$50.00
Cost per Therm	\$.05338	\$.00176		\$.05514	\$.00166			\$.05680
<u>GS-66-Core Small Electric Power Generation Gas Service</u>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$.26781	\$.14681		\$.41462	\$.00166		\$.37013	\$.78641
<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	\$.04719		\$.18316	\$.00166	\$.11505		\$.29987
<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	\$.14681		\$.52641	\$.00166		\$.37013	\$.89820
<u>TFF-Transportation Franchise Fee Surcharge Provision</u>								
TFF Surcharge per Therm								\$.00441
<u>TDS – Transportation Distribution System Shrinkage Charge</u>								
TDS Charge per Therm								\$.00281
<u>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</u>								
MHPS Surcharge per Space per Month								\$.21000

Advice Letter No. 1063
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed December 29, 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			
GN-10-Residential Gas Service									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Baseline Quantities	\$.75614	\$.11372	\$.86986	\$.00166	\$.02841	\$.28596	\$ 1.18589		R
Tier II	.86695	.11372	.98067	.00166	.02841	.28596	1.29670		R
GN-12-CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$.52498	\$.11372	\$.63870	\$.00166	\$.01587	\$.28596	\$.94219		R
Tier II	.61362	.11372	.72734	.00166	.01587	.28596	1.03083		R
GN-15-Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$.90881	\$.11372	\$ 1.02253	\$.00166	\$.02841	\$.28596	\$ 1.33856		R
GN-20-Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.75614	\$.11372	\$.86986	\$.00166	\$.02841	\$.28596	\$ 1.18589		R
Tier II	.86695	.11372	.98067	.00166	.02841	.28596	1.29670		R
GN-25-Multi-Family Master-Metered Gas Service-Submetered									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.75614	\$.11372	\$.86986	\$.00166	\$.02841	\$.28596	\$ 1.18589		R
Tier II	.86695	.11372	.98067	.00166	.02841	.28596	1.29670		R
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	\$.41942	\$.11372	\$.53314	\$.00166	\$.01587	\$.28596	\$.83663		R
Next 500	.31866	.11372	.43238	.00166	.01587	.28596	.73587		R
Next 2,400	.22057	.11372	.33429	.00166	.01587	.28596	.63778		R
Over 3,000	.07321	.11372	.18693	.00166	.01587	.28596	.49042		R
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	\$.11372	\$.73791	\$.00166	\$.02841	\$.28596	\$ 1.05394		R
Next 500	.49824	.11372	.61196	.00166	.02841	.28596	.92799		R
Next 2,400	.37563	.11372	.48935	.00166	.02841	.28596	.80538		R
Over 3,000	.19143	.11372	.30515	.00166	.02841	.28596	.62118		R
GN-50-Core Natural Gas Service for Motor Vehicles									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm	\$.10425	\$.11372	\$.21797	\$.00166	\$.02841	\$.28596	\$.53400		R

Advice Letter No. 1063
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed December 29, 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		Effective Sales Rate	
					CPUC	PPP		Gas Cost
GN-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.29193	\$.11372		\$.40565	\$.00166	\$.02841	\$.28596	\$.72168
GN-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.28373	\$.11372		\$.39745	\$.00166		\$.28596	\$.68507
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	(\$.12483)		\$.05067	\$.00166	\$.02841		\$.08074
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm							\$.00368	
TDS – Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm							\$.00160	
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision								
MHPS Surcharge per Space per Month							\$.21000	
<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 0.56%. 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.</p> <p>[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.</p> <p>[3] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:</p>								
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	\$.02077							
Reservation	.26515							
IRRAM Surcharge	.00000		\$.00000					
Balancing Account Adjustments								
FCAM*	(.17220)		(.12483)					
GHGBA**								
Non-Covered Entities								
Covered Entities								
Total Rate Adjustment	\$.11372		(\$.12483)					
<p>* 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.</p> <p>** 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).</p>								

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			
SLT-10-Residential Gas Service									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Baseline Quantities	\$.33324	\$.21919	\$.55243	\$.00166	\$.02841	\$.28596	\$.86846		R
Tier II	.42078	.21919	.63997	.00166	.02841	.28596	.95600		R
SLT-12-CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$.16556	\$.21919	\$.38475	\$.00166	\$.01587	\$.28596	\$.68824		R
Tier II	.23559	.21919	.45478	.00166	.01587	.28596	.75827		R
SLT-15-Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$.46121	\$.21919	\$.68040	\$.00166	\$.02841	\$.28596	\$.99643		R
SLT-20-Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 11.00							\$ 11.00	
Cost per Therm									
Baseline Quantities	\$.33324	\$.21919	\$.55243	\$.00166	\$.02841	\$.28596	\$.86846		R
Tier II	.42078	.21919	.63997	.00166	.02841	.28596	.95600		R
SLT-25-Multi-Family Master-Metered Gas Service-Submetered									
Basic Service Charge	\$ 11.00							\$ 11.00	
Cost per Therm									
Baseline Quantities	\$.33324	\$.21919	\$.55243	\$.00166	\$.02841	\$.28596	\$.86846		R
Tier II	.42078	.21919	.63997	.00166	.02841	.28596	.95600		R
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	\$.25565	\$.21919	\$.47484	\$.00166	\$.01587	\$.28596	\$.77833		R
Next 500	.20215	.21919	.42134	.00166	.01587	.28596	.72483		R
Next 2,400	.14864	.21919	.36783	.00166	.01587	.28596	.67132		R
Over 3,000	.05446	.21919	.27365	.00166	.01587	.28596	.57714		R
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	\$.21919	\$.66504	\$.00166	\$.02841	\$.28596	\$.98107		R
Next 500	.37897	.21919	.59816	.00166	.02841	.28596	.91419		R
Next 2,400	.31209	.21919	.53128	.00166	.02841	.28596	.84731		R
Over 3,000	.19436	.21919	.41355	.00166	.02841	.28596	.72958		R
SLT-50-Core Natural Gas Service for Motor Vehicles									
Basic Service Charge	\$ 11.00							\$ 11.00	
Cost per Therm	\$.21501	\$.21919	\$.43420	\$.00166	\$.02841	\$.28596	\$.75023		R

Advice Letter No. 1063
Decision No. _____

Issued by
Justin Lee Brown
Vice President

Date Filed December 29, 2017
Effective January 1, 2018
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	\$.21919	\$.46386	\$.00166	\$.02841	\$.28596	\$.77989	R
SLT-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 11.00						\$ 11.00	
Cost per Therm	\$.24467	\$.21919	\$.46386	\$.00166		\$.28596	\$.75148	R
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	(\$.01936)	\$.15906	\$.00166	\$.02841		\$.18913	R
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm							\$.00368	R
TDS-Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm							\$.00160	R
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			
Total Rate Adjustment	\$.21919		(\$.01936)

* 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).

Schedule No. GCP

GAS PROCUREMENT FOR CORE CUSTOMERS

APPLICABILITY

Applicable to core customers who purchase natural gas from the Company. Service under this schedule will be provided in conjunction with the customer's otherwise applicable sales rate schedule.

TERRITORY

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

RATES

The Company shall adjust the Cost of Gas for this schedule monthly to reflect its estimated average gas costs. This revised rate shall become effective between the first and seventh calendar day of each month.

Procurement Charges

Southern California

Cost of Gas	\$.36419
F&U	\$.00594
Total Gas Cost	<u>\$.37013</u>

Northern California and South Lake Tahoe

Cost of Gas	\$.28185
F&U	\$.00411
Total Gas Cost	<u>\$.28596</u>

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**SOUTHWEST GAS CORPORATION
CALCULATION OF MONTHLY CORE PROCUREMENT CHARGES
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.37711	1
2	Monthly Account No. 191 Surcharge [2]	<u>(0.01292)</u>	2
3	Subtotal	\$ 0.36419	3
4	Franchise & Uncollectibles @ 1.6299% [3]	<u>0.00594</u>	4
5	Total January Core Procurement Charge per Therm	<u>\$ 0.37013</u>	5
<u>Northern California and South Lake Tahoe</u>			
6	Estimated Cost of Gas [4]	\$ 0.28079	6
7	Monthly Account No. 191 Surcharge [5]	<u>0.00106</u>	7
8	Subtotal	\$ 0.28185	8
9	Franchise & Uncollectibles @ 1.4589% [3]	<u>0.00411</u>	9
10	Total January Core Procurement Charge per Therm	<u>\$ 0.28596</u>	10

[1] Schedule I, Sheet 2, Line 17, Column (c), converted to Therm.

[2] Schedule I, Sheet 4.

[3] Order Approving Southwest Gas Application 12-12-024 (D.14-06-028).

[4] Schedule I, Sheet 3, Line 12, Column (c), converted to Therm.

[5] Schedule I, Sheet 5.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Dth (b)	Average Cost Per Dth (c)=(d)/(b)	Amount (d)	Line No.
<u>City Gate Demand and Storage Injections</u>					
1	Total City Gate Demand	1,078,028			1
2	Purchases for Storage Injection @ City Gate [1]	13,318			2
3	Carry-over from Previous Month (Dth)	0			3
4	Total Demand and Storage Injections	<u>1,091,346</u>			4
<u>Gas Purchases into Kern River Mainline</u>					
5	Term Purchases	455,700	\$ 3.1183	\$ 1,421,025	5
6	First of Month Purchases [2]	325,500	\$ 4.1320	\$ 1,344,982	6
7	Spot Purchases [2]	0	\$ 0.0000	\$ 0	7
8	In Kind Fuel	(15,354)	\$ 0.0000	\$ 0	8
9	Variable Transmission	765,846	\$ 0.0047	\$ 3,599	9
10	Kern River Opal Basin Total Purchases			<u>\$ 2,769,605</u>	10
<u>City Gate Gas Purchases</u>					
11	Term Purchases	0	\$ 0.0000	\$ 0	11
12	First of Month Purchases [2]	325,500	\$ 4.1350	\$ 1,345,943	12
13	Spot Purchases [2]	0	\$ 0.0000	\$ 0	13
14	Total City Gate Gas Purchases	325,500		<u>\$ 1,345,943</u>	14
<u>Storage Withdrawals</u>					
15	Projected Volume	0	\$ 0.0000	\$ 0	15
16	Total Average Cost of Gas			<u>\$ 0</u>	16
17	Total Cost of Gas at City Gate [3]	<u>1,091,346</u>	<u>\$ 3.7711</u>	<u>\$ 4,115,548</u>	17

[1] Does not include gas scheduled directly to storage.

[2] Based on December 19, 2017, first of the month forwards.

[3] Excludes storage and interstate pipeline fixed charges and intrastate transportation.

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF PROJECTED MONTHLY GAS COST
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Dth (b)	Average Cost Per Dth (c)=(d)/(b)	Amount (d)	Line No.
1	Total City Gate Demand (Net)	704,636			1
<u>Gas Purchases into Mainline</u>					
2	Projected Purchases Into NWPL [1]	98,419	\$ 2.4668	\$ 242,777	2
3	Projected Purchases Into Tuscarora [1]	299,761	\$ 3.0037	\$ 900,393	3
4	Projected Purchases Into Paiute [1]	26,331	\$ 2.6857	\$ 70,716	4
5	Projected Purchases Into Ruby [1]	296,038	\$ 2.5190	\$ 745,719	5
6	Total Projected Gas Purchases into Mainline			<u>\$ 1,959,605</u>	6
<u>Transportation Costs</u>					
7	NWPL Volumetric Charge [2]	97,435	\$ 0.0313	\$ 3,050	7
8	Paiute Volumetric Charge [3]	704,636	\$ 0.0013	\$ 916	8
9	Tuscarora Volumetric Charge [4]	295,564	\$ 0.0044	\$ 1,300	9
10	Ruby Volumetric Charge [5]	296,038	\$ 0.0463	\$ 13,707	10
11	Total Transportation Variable Cost			<u>\$ 18,973</u>	11
12	Total Cost at the City Gate [6]	<u>704,636</u>	<u>\$ 2.8079</u>	<u>\$ 1,978,578</u>	12

[1] Based on December 19, 2017, first of the month forwards.

[2] NWPL less in-kind fuel at 1.00%.

[3] Paiute less in-kind fuel at 1.50%.

[4] Tuscarora less in-kind fuel at 1.40%.

[5] Ruby less in-kind fuel at 0.00%.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENTS
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Estimated December Activity (b)	January Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for November 2017		\$ (1,234,195)	1
	Storage Activities			
2	No Storage Activity for October		0	2
3	November Imbalance Traded Out of Storage		14,072	3
4	Adjusted Ending Balance		<u>\$ (1,220,123)</u>	4
5	November Rate per Therm	\$ (0.01372)		5
6	December Rate per Therm	(0.01514)		6
7	Average Rate per Therm	<u>\$ (0.01443)</u>		7
8	Estimated December Sales	10,802,340		8
9	Estimated December Acct. No. 191 Activity (Line 7 x Line 8)		\$ 155,878	9
10	Estimated December Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ (1,064,245)</u>	10
11	Estimated Twelve Months Sales		<u>82,367,950</u>	11
12	January Surcharge per Therm (Line 10 / Line 11)		<u>\$ (0.01292)</u>	12

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA INCLUDING SOUTH LAKE TAHOE DISTRICT
CALCULATION OF MONTHLY PGA BALANCING ACCOUNT ADJUSTMENT
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Estimated December Activity (b)	January Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for November 2017		\$ 32,461	1
2	November Rate per Therm	\$ (0.00490)		2
3	December Rate per Therm	(0.00190)		3
4	Average Rate per Therm	<u>\$ (0.00340)</u>		4
5	Estimated December Sales	5,972,295		5
6	Estimated December Acct. No. 191 Activity (Line 4 x Line 5)		\$ 20,306	6
7	Estimated December Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ 52,767</u>	7
8	Estimated Twelve Months Sales		<u>49,793,136</u>	8
9	January Surcharge per Therm (Line 7 / Line 8)		<u><u>\$ 0.00106</u></u>	9

**SOUTHWEST GAS CORPORATION
CALCULATION OF TRANSPORTATION FRANCHISE FEE (TFF) SURCHARGE
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.37711	1
2	Franchise Tax @ 1.1694% [2]	\$ 0.00441	2
<u>Northern California and South Lake Tahoe</u>			
3	Estimated Cost of Gas [1]	\$ 0.28079	3
4	Franchise Tax @ 1.3111% [2]	\$ 0.00368	4

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Gas Application 12-12-024 (D.14-06-028).

**SOUTHWEST GAS CORPORATION
CALCULATION OF TDS - TRANSPORTATION DISTRIBUTION SYSTEM SHRINKAGE CHARGE
FOR THE MONTH OF JANUARY 2018**

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Total January Core Procurement Charge per Therm [1]	\$ 0.37013	1
2	Shrinkage Rate @ 0.7600% [2]	\$ 0.00281	2
<u>Northern California and South Lake Tahoe</u>			
3	Total January Core Procurement Charge per Therm [1]	\$ 0.28596	3
4	Shrinkage Rate @ 0.5600% [2]	\$ 0.00160	4

[1] Schedule I, Sheet 1.

[2] Order Approving Southwest Gas Application 12-12-024 (D.14-06-028).