

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 19, 2018

**Advice Letter 1065-G**

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

**SUBJECT: 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 Non-Core Customers in Southwest Gas' California Service Areas**

Dear Mr. Brown:

Advice Letter 1065-G is effective as of February 1, 2018.

Sincerely,

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

Edward Randolph  
Director, Energy Division



## **SOUTHWEST GAS CORPORATION**

February 1, 2018

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

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 1065

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1065, together with California Gas Tariff Sheet Nos. 65, 66, 68-71 and 123.

Sincerely,

Valerie J. Ontiveroz  
Regulatory Manager/California

VJO:dm  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 1065

February 1, 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.
102nd Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	101st Revised Sheet No. 65
103rd Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	102nd Revised Sheet No. 66
100th Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	99th Revised Sheet No. 68
102nd Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	101st Revised Sheet No. 69
67th Revised Sheet No. 70	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	66th Revised Sheet No. 70
102nd Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	101st Revised Sheet No. 71
82nd Revised Sheet No. 123	Schedule No. GCP – Gas Procurement for Core Customers	81st Revised Sheet No. 123

### **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.



Advice Letter No. 1065  
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February 1, 2018

**Purpose** (Continued)

For core sales customers, the February 2018 cost of gas, including adjustment for franchises and uncollectibles, is \$0.30408 per therm for Southwest Gas' Southern California Service Area and \$0.29831 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TFF Surcharge rate is \$0.00355 per therm for Southwest Gas' Southern California Service Area and \$0.00378 per therm for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

The TDS Charge is \$0.00231 per therm for Southwest Gas' Southern California Service Area and \$0.00167 for Southwest Gas' Northern California and South Lake Tahoe Service Areas.

**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 February 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, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
Email: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)  
Facsimile: 415-703-2200



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**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(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.

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:

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

Justin Lee Brown

Attachments

**Distribution List**

Advice Letter No. 1065

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 Commission  
[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)

# 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>1065</b> Subject of AL: <b><u>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.</u></b>	
Keywords (choose from CPUC listing): <b><u>Decreased rates in Southern California (SCA) and increased rates in Northern California (NCA) and South Lake Tahoe (SLT).</u></b>	
AL filing type: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input 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 #:	
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>February 1, 2018</u></b>	No. of tariff sheets: <b><u>7</u></b>
Estimated system annual revenue effect: (%): <b><u>(4.50%) SCA, 0.99% NCA, and 1.27% SLT</u></b>	
Estimated system average rate effect (%): <b><u>(4.50%) SCA, 0.99% NCA, and 1.27% 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>Schedule No. GCP – Gas Procurement for Core Customers</u></b>	
Service affected and changes proposed <sup>1</sup> : <b><u>See 'Subject of AL' above</u></b>	
Pending advice letters that revise the same tariff sheets: <b><u>Not applicable</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>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>1</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]		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate	
		and Adjustments			CPUC	PPP			
<b>GS-10-Residential Gas Service</b>									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Baseline Quantities	\$ .71361	\$ .14681	\$ .86042	\$ .00166	\$ .11505	\$ .30408	\$ 1.28121	R	
Tier II	\$ .88488	.14681	1.03169	.00166	.11505	.30408	1.45248	R	
<b>GS-11-Residential Air-Conditioning Gas Service</b>									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Tier I	\$ .71361	\$ .14681	\$ .86042	\$ .00166	\$ .11505	\$ .30408	\$ 1.28121	R	
Tier II	.88488	.14681	1.03169	.00166	.11505	.30408	1.45248	R	
Air-Conditioning	\$ .35681	.14681	.50362	.00166	.11505	.30408	.92441	R	
<b>GS-12-CARE Residential Gas Service</b>									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$ .48071	\$ .14681	\$ .62752	\$ .00166	\$ .01587	\$ .30408	\$ .94913	R	
Tier II	.61773	.14681	.76454	.00166	.01587	.30408	\$ 1.08615	R	
<b>GS-15-Secondary Residential Gas Service</b>									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$ 1.09366	\$ .14681	\$ 1.24047	\$ .00166	\$ .11505	\$ .30408	\$ 1.66126	R	
<b>GS-20-Multi-Family Master-Metered Gas Service</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm									
Baseline Quantities	\$ .71361	\$ .14681	\$ .86042	\$ .00166	\$ .11505	\$ .30408	\$ 1.28121	R	
Tier II	.88488	.14681	1.03169	.00166	.11505	.30408	1.45248	R	
<b>GS-25 -Multi-Family Master-Metered Gas Service-Submetered</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm									
Baseline Quantities	\$ .71361	\$ .14681	\$ .86042	\$ .00166	\$ .11505	\$ .30408	\$ 1.28121	R	
Tier II	.88488	.14681	1.03169	.00166	.11505	.30408	1.45248	R	
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	\$ .41854	\$ .14681	\$ .56535	\$ .00166	\$ .01587	\$ .30408	\$ .88696	R	
Next 500	.28479	.14681	.43160	.00166	.01587	.30408	.75321	R	
Next 2,400	.17779	.14681	.32460	.00166	.01587	.30408	.64621	R	
Over 3,000	.05188	.14681	.19869	.00166	.01587	.30408	.52030	R	
<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	\$ .63590	\$ .14681	\$ .78271	\$ .00166	\$ .11505	\$ .30408	\$ 1.20350	R	
Next 500	.46871	.14681	.61552	.00166	.11505	.30408	1.03631	R	
Next 2,400	.33496	.14681	.48177	.00166	.11505	.30408	.90256	R	
Over 3,000	.17757	.14681	.32438	.00166	.11505	.30408	.74517	R	

Advice Letter No. 1065  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed February 1, 2018  
Effective February 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	\$ .12468	\$ .14681	\$ .27149	\$ .00166	\$ .11505	\$ .30408	\$ .69228		R
<b>GS-60-Core Internal Combustion Engine Gas Service</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$ .18581	\$ .14681	\$ .33262	\$ .00166	\$ .11505	\$ .30408	\$ .75341		R
<b>GS-LUZ-Solar Electric Generation Gas Service</b>									
Basic Service Charge	\$50.00							\$50.00	
Cost per Therm	\$ .05338	\$ .00176	\$ .05514	\$ .00166			\$ .05680		
<b>GS-66-Core Small Electric Power Generation Gas Service</b>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$ .26781	\$ .14681	\$ .41462	\$ .00166		\$ .30408	\$ .72036		R
<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	\$ .13597	\$ .04719	\$ .18316	\$ .00166	\$ .11505		\$ .29987		R
<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	\$ .37960	\$ .14681	\$ .52641	\$ .00166		\$ .30408	\$ .83215		R
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>									
TFF Surcharge per Therm							\$ .00355		R
<b>TDS - Transportation Distribution System Shrinkage Charge</b>									
TDS Charge per Therm							\$ .00231		R
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>									
MHPS Surcharge per Space per Month							\$ .21000		

**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	\$ .75614	\$ .11372	\$ .86986	\$ .00166	\$ .02841	\$ .29831	\$ 1.19824	
Tier II	.86695	.11372	.98067	.00166	.02841	.29831	1.30905	
<b>GN-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$ .52251	\$ .11372	\$ .63623	\$ .00166	\$ .01587	\$ .29831	\$ .95207	
Tier II	.61115	.11372	.72487	.00166	.01587	.29831	1.04071	
<b>GN-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ .90881	\$ .11372	\$ 1.02253	\$ .00166	\$ .02841	\$ .29831	\$ 1.35091	
<b>GN-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm								
Baseline Quantities	\$ .75614	\$ .11372	\$ .86986	\$ .00166	\$ .02841	\$ .29831	\$ 1.19824	
Tier II	.86695	.11372	.98067	.00166	.02841	.29831	1.30905	
<b>GN-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm								
Baseline Quantities	\$ .75614	\$ .11372	\$ .86986	\$ .00166	\$ .02841	\$ .29831	\$ 1.19824	
Tier II	.86695	.11372	.98067	.00166	.02841	.29831	1.30905	
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	\$ .41695	\$ .11372	\$ .53067	\$ .00166	\$ .01587	\$ .29831	\$ .84651	
Next 500	.31619	.11372	.42991	.00166	.01587	.29831	.74575	
Next 2,400	.21810	.11372	.33182	.00166	.01587	.29831	.64766	
Over 3,000	.07074	.11372	.18446	.00166	.01587	.29831	.50030	
<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	\$ .62419	\$ .11372	\$ .73791	\$ .00166	\$ .02841	\$ .29831	\$ 1.06629	
Next 500	.49824	.11372	.61196	.00166	.02841	.29831	.94034	
Next 2,400	.37563	.11372	.48935	.00166	.02841	.29831	.81773	
Over 3,000	.19143	.11372	.30515	.00166	.02841	.29831	.63353	
<b>GN-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .10425	\$ .11372	\$ .21797	\$ .00166	\$ .02841	\$ .29831	\$ .54635	

**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	\$ .29193	\$ .11372		\$ .40565	\$ .00166	\$ .02841	\$ .29831	\$ .73403
<b>GN-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm	\$ .28373	\$ .11372		\$ .39745	\$ .00166		\$ .29831	\$ .69742
<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	\$ .17550	(\$ .12483)		\$ .05067	\$ .00166	\$ .02841		\$ .08074
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm								\$ .00378
<b>TDS - Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm								\$ .00167
<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*	(.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).

**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		
<b>SLT-10-Residential Gas Service</b>								
Basic Service Charge	\$5.00							\$5.00
Cost per Therm								
Baseline Quantities	\$ .33324	\$ .21919	\$ .55243	\$ .00166	\$ .02841	\$ .29831	\$ .88081	
Tier II	.42078	.21919	.63997	.00166	.02841	.29831	.96835	
<b>SLT-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$4.00							\$4.00
Cost per Therm								
Baseline Quantities	\$ .16309	\$ .21919	\$ .38228	\$ .00166	\$ .01587	\$ .29831	\$ .69812	
Tier II	.23312	.21919	.45231	.00166	.01587	.29831	.76815	
<b>SLT-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$6.00							\$6.00
Cost per Therm	\$ .46121	\$ .21919	\$ .68040	\$ .00166	\$ .02841	\$ .29831	\$ 1.00878	
<b>SLT-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm								
Baseline Quantities	\$ .33324	\$ .21919	\$ .55243	\$ .00166	\$ .02841	\$ .29831	\$ .88081	
Tier II	.42078	.21919	.63997	.00166	.02841	.29831	.96835	
<b>SLT-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm								
Baseline Quantities	\$ .33324	\$ .21919	\$ .55243	\$ .00166	\$ .02841	\$ .29831	\$ .88081	
Tier II	.42078	.21919	.63997	.00166	.02841	.29831	.96835	
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	\$ .25318	\$ .21919	\$ .47237	\$ .00166	\$ .01587	\$ .29831	\$ .78821	
Next 500	.19968	.21919	.41887	.00166	.01587	.29831	.73471	
Next 2,400	.14617	.21919	.36536	.00166	.01587	.29831	.68120	
Over 3,000	.05199	.21919	.27118	.00166	.01587	.29831	.58702	
<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	\$ .44585	\$ .21919	\$ .66504	\$ .00166	\$ .02841	\$ .29831	\$ .99342	
Next 500	.37897	.21919	.59816	.00166	.02841	.29831	.92654	
Next 2,400	.31209	.21919	.53128	.00166	.02841	.29831	.85966	
Over 3,000	.19436	.21919	.41355	.00166	.02841	.29831	.74193	
<b>SLT-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm	\$ .21501	\$ .21919	\$ .43420	\$ .00166	\$ .02841	\$ .29831	\$ .76258	

Advice Letter No. 1065  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed February 1, 2018  
Effective February 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		
<b>SLT-60-Core Internal Combustion Engine Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm	\$ .24467	\$ .21919	\$ .46386	\$ .00166	\$ .02841	\$ .29831	\$ .79224
<b>SLT-66-Core Small Electric Power Generation Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm	\$ .24467	\$ .21919	\$ .46386	\$ .00166		\$ .29831	\$ .76383
<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	\$ .17842	(\$ .01936)	\$ .15906	\$ .00166	\$ .02841		\$ .18913
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>							
TFF Surcharge per Therm							\$ .00378
<b>TDS-Transportation Distribution System Shrinkage Charge</b>							
TDS Charge per Therm							\$ .00167
<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
Upstream Interstate Charges				
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).

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	\$ .29920
F&U	\$ .00488
Total Gas Cost	<u>\$ .30408</u>

Northern California and South Lake Tahoe

Cost of Gas	\$ .29402
F&U	\$ .00429
Total Gas Cost	<u>\$ .29831</u>

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

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.30332	1
2	Monthly Account No. 191 Surcharge [2]	<u>(0.00412)</u>	2
3	Subtotal	\$ 0.29920	3
4	Franchise & Uncollectibles @ 1.6299% [3]	<u>0.00488</u>	4
5	Total February Core Procurement Charge per Therm	<u>\$ 0.30408</u>	5
<u>Northern California and South Lake Tahoe</u>			
6	Estimated Cost of Gas [4]	\$ 0.28810	6
7	Monthly Account No. 191 Surcharge [5]	<u>0.00592</u>	7
8	Subtotal	\$ 0.29402	8
9	Franchise & Uncollectibles @ 1.4589% [3]	<u>0.00429</u>	9
10	Total February Core Procurement Charge per Therm	<u>\$ 0.29831</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 FEBRUARY 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	713,643			1
2	Purchases for Storage Injection @ City Gate [1]	0			2
3	Carry-over from Previous Month (Dth)	0			3
4	Total Demand and Storage Injections	<u>713,643</u>			4
<u>Gas Purchases into Kern River Mainline</u>					
5	Term Purchases	411,600	\$ 3.1183	\$ 1,283,506	5
6	First of Month Purchases [2]	299,600	\$ 2.7735	\$ 830,941	6
7	Spot Purchases [2]	0	\$ 0.0000	\$ 0	7
8	In Kind Fuel	(11,877)	\$ 0.0000	\$ 0	8
9	Variable Transmission	699,323	\$ 0.0047	\$ 3,287	9
10	Kern River Opal Basin Total Purchases			<u>\$ 2,117,733</u>	10
<u>City Gate Gas Purchases</u>					
11	Term Purchases	0	\$ 0.0000	\$ 0	11
12	First of Month Purchases [2]	0	\$ 0.0000	\$ 0	12
13	Spot Purchases [2]	14,320	\$ 3.2719	\$ 46,854	13
14	Total City Gate Gas Purchases	14,320		<u>\$ 46,854</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>713,643</u>	<u>\$ 3.0332</u>	<u>\$ 2,164,587</u>	17

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

[2] Based on January 22, 2018, 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 FEBRUARY 2018**

Line No.	Description (a)	Dth (b)	Average Cost Per Dth (c)=(d)/(b)	Amount (d)	Line No.
1	Total City Gate Demand (Net)	617,536			1
<u>Gas Purchases into Mainline</u>					
2	Projected Purchases Into NWPL [1]	191,053	\$ 2.5720	\$ 491,392	2
3	Projected Purchases Into Tuscarora [1]	331,800	\$ 2.9819	\$ 989,390	3
4	Projected Purchases Into Paiute [1]	0	\$ 0.000	\$ 0	4
5	Projected Purchases Into Ruby [1]	105,997	\$ 2.6910	\$ 285,239	5
6	Total Projected Gas Purchases into Mainline			<u>\$ 1,766,021</u>	6
<u>Transportation Costs</u>					
7	NWPL Volumetric Charge [2]	189,143	\$ 0.0313	\$ 5,920	7
8	Paiute Volumetric Charge [3]	617,536	\$ 0.0013	\$ 803	8
9	Tuscarora Volumetric Charge [4]	331,800	\$ 0.0044	\$ 1,460	9
10	Ruby Volumetric Charge [5]	105,997	\$ 0.0463	\$ 4,908	10
11	Total Transportation Variable Cost			<u>\$ 13,091</u>	11
12	Total Cost at the City Gate [6]	<u>617,536</u>	<u>\$ 2.8810</u>	<u>\$ 1,779,112</u>	12

[1] Based on January 22, 2018, 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 0.00%.

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

[6] Assumes no volume is dispatched from LNG.

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

Line No.	Description (a)	Estimated January Activity (b)	February Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for December 2017		\$ (546,982)	1
	Storage Activities			
2	No Storage Activity for November		0	2
3	December Imbalance Traded into Storage		<u>(7,681)</u>	3
4	Adjusted Ending Balance		<u>\$ (554,663)</u>	4
5	December Rate per Therm	\$ (0.01514)		5
6	January Rate per Therm	<u>(0.01292)</u>		6
7	Average Rate per Therm	<u>\$ (0.01403)</u>		7
8	Estimated January Sales	15,849,332		8
9	Estimated January Acct. No. 191 Activity (Line 7 x Line 8)		\$ 222,366	9
10	Estimated January Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ (332,297)</u>	10
11	Estimated Twelve Months Sales		<u>80,617,371</u>	11
12	February Surcharge per Therm (Line 10 / Line 11)		<u>\$ (0.00412)</u>	12

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

Line No.	Description (a)	Estimated January Activity (b)	February Surcharge (c)	Line No.
1	Acct. No. 191 Ending Balance for December 2017		\$ 290,471	1
2	December Rate per Therm	\$(0.00190)		2
3	January Rate per Therm	0.00106		3
4	Average Rate per Therm	<u>\$(0.00042)</u>		4
5	Estimated January Sales	8,188,596		5
6	Estimated January Acct. No. 191 Activity (Line 4 x Line 5)		<u>\$ 3,439</u>	6
7	Estimated January Acct. No. 191 Ending Balance Adjusted for Known and Unrecorded Activity		<u>\$ 293,910</u>	7
8	Estimated Twelve Months Sales		<u>49,627,111</u>	8
9	February Surcharge per Therm (Line 7 / Line 8)		<u><u>\$ 0.00592</u></u>	9

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

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Estimated Cost of Gas [1]	\$ 0.30332	1
2	Franchise Tax @ 1.1694% [2]	\$ 0.00355	2
<u>Northern California and South Lake Tahoe</u>			
3	Estimated Cost of Gas [1]	\$ 0.28810	3
4	Franchise Tax @ 1.3111% [2]	\$ 0.00378	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 FEBRUARY 2018**

Line No.	Description (a)	Rate per Therm (b)	Line No.
<u>Southern California</u>			
1	Total February Core Procurement Charge per Therm [1]	\$ 0.30408	1
2	Shrinkage Rate @ 0.7600% [2]	\$ 0.00231	2
<u>Northern California and South Lake Tahoe</u>			
3	Total February Core Procurement Charge per Therm [1]	\$ 0.29831	3
4	Shrinkage Rate @ 0.5600% [2]	\$ 0.00167	4

[1] Schedule I, Sheet 1.

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