

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 4, 2018

Advice Letter 1082

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

SUBJECT: Update Southwest Gas' Public Purpose Program (PPP) Surcharges

Dear Mr. Brown:

Advice Letter 1082 is effective as of January 1, 2019.

Sincerely,

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

Edward Randolph
Director, Energy Division



SOUTHWEST GAS CORPORATION

October 31, 2018

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

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 1082

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1082, together with California Gas Tariff Sheet No. 121.

Sincerely,

Valerie J. Ontiveroz
Regulatory Manager/California

VJO:jjp
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 1082

October 31, 2018

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
11th Revised Sheet No. 121	Schedule No. G-PPPS – Surcharge to Fund Public Purpose Programs (PPP)	10th Revised Sheet No. 121

Purpose

The purpose of this submission is to adjust Southwest Gas' Public Purpose Program (PPP) Surcharge rates in compliance with Ordering Paragraph (OP) 22 Decision (D.) 04-08-010 for its California Alternative Rates for Energy (CARE) and Energy Savings Assistance (ESA) programs.

Updated 2019 PPP Surcharges

On August 23, 2018, the Commission issued D.18-08-020, authorizing Southwest Gas new funding levels for its CARE and ESA Programs, replacing the bridge funding levels authorized in OP 4 in D.14-11-005. The volumes used in the calculations reflect a three-year average (36 consecutive months ending, September 2016), as set forth in D.04-08-010. In addition, the R&DBA is being amortized into rates per Southwest Gas' California Gas Tariff Preliminary Statement 16F.2. The calculations of Southwest Gas' proposed 2019 PPP surcharges are shown in the attached Appendix A.

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 General Order (GO) 96-B. Southwest Gas respectfully requests this AL be approved December 1, 2018, which is thirty (30) calendar days after the date filed, with the proposed rate changes effective January 1, 2019.

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



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Protest *(Continued)*

date of this Advice Letter submission 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
Senior Vice President/General Counsel
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510
Email: justin.brown@swgas.com
Facsimile: 702-364-3452

Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since the annual PPP Surcharges adjustments proposed herein are being filed in compliance with D.04-08-010.

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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Communications regarding this submission should be directed to:

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

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:

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. 1082

In conformance with General Order 96-B, General Rule 4.3

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

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

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

Pacific Gas & Electric Company
PGETariffs@pge.com

Southern California Gas Company
ROrtiz@semprautilities.com

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

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

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

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

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

Schedule No. G-PPPS

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPP)

APPLICABILITY

Applicable to all gas sales and transportation service excluding service for: electric generation including cogeneration, enhanced oil recovery, wholesale for resale to end users, natural gas produced in California and transported on a proprietary pipeline, and the consumption of natural gas which California is prohibited for taxing under the United States Constitution or the California Constitution.

TERRITORY

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

RATES

Customer Class	PPP SURCHARGE AMOUNT PER THERM				
	Non-CARE Customers		CARE Customers		
	Southern CA	Northern CA/ South Lake Tahoe	Southern CA	Northern CA/ South Lake Tahoe	
Core *					
Residential	\$ 0.10691	\$ 0.05815	\$ 0.04724	\$ 0.04724	R/I
Commercial/Industrial	\$ 0.10691	\$ 0.05815	\$ 0.04724	\$ 0.04724	R/I
Gas Engine	\$ 0.10691	\$ 0.05815	N/A	N/A	R/I
Natural Gas Vehicle	\$ 0.10691	\$ 0.05815	N/A	N/A	R/I
Non-Core **					
Commercial/Industrial	\$ 0.10691	\$ 0.05815	N/A	N/A	R/I

* Residential service includes Rate Schedule Nos. GS/GN/SLT-10, -12, -15, -20, and -25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN/SLT-35, -40, and -60. Natural Gas Vehicle service includes Rate Schedule No. GS-50/GN-50/SLT-50.

** Commercial/Industrial service includes Rate Schedule No. GS-70/GN-70/SLT-70.

The PPP surcharges are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference.

The number of therms shall be determined in accordance with the provisions of Rule No. 2C of this California Gas Tariff.

Appendix A

**SOUTHWEST GAS CORPORATION
 CALIFORNIA JURISDICTIONS
 PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
 TO BE EFFECTIVE JANUARY 1, 2019**

Line No.	Description (a)	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>Non-CARE PPP Surcharges</u>					
1	CARE Component	\$ 0.10756	\$ 0.01283		1
2	CARE Balancing Account Component	\$ (0.04802)	\$ (0.00205)		2
3	BOE PPP Administrative Surcharge	\$ 0.00013	\$ 0.00013		3
4	CPUC PPP Administrative Charges	\$ 0.00000	\$ 0.00000		4
5	Total Non-CARE PPP Surcharges	<u>\$ 0.05967</u>	<u>\$ 0.01091</u>		5
<u>CARE PPP Surcharges</u>					
6	ESA Component			\$ 0.04798	6
7	R & D Component			\$ 0.00379	7
8	CEE Component [1]			\$ (0.00453)	8
9	Total CARE PPP Surcharges			<u>\$ 0.04724</u>	9
<u>Total PPP Surcharges</u>					
10	CARE Customer Rate per Therm [2]	<u>\$ 0.04724</u>	<u>\$ 0.04724</u>		10
11	Non-CARE Customer Rate per Therm [3]	<u>\$ 0.10691</u>	<u>\$ 0.05815</u>		11

[1] CEE Approved in D.14-06-028.

[2] Sum of CARE PPP Surcharges

[3] Sum of CARE plus Non-CARE PPP Components.

**SOUTHWEST GAS CORPORATION
 CALIFORNIA JURISDICTIONS
 CALCULATION OF PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
 CALIFORNIA ALTERNATIVE RATE FOR ENERGY (CARE), ENERGY SAVINGS ASSISTANCE (ESA), CONSERVATION
 AND ENERGY EFFICIENCY (CEE), AND RESEARCH AND DEVELOPMENT (R&D)
 TO BE EFFECTIVE JANUARY 1, 2019**

Line No.	Description	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>CARE PPP Components</u>					
1	CARE Program Revenue Requirement [1]	\$ 6,859,772	\$ 595,821	\$ 7,455,593	1
2	CARE Program Balancing Account [2]	<u>\$ (3,062,852)</u>	<u>\$ (95,001)</u>	<u>\$ (3,157,853)</u>	2
3	2018 Adjusted CARE budget	\$ 3,796,920	\$ 500,820	\$ 4,297,741	3
4	CARE Applicable Volume (Therms) [3]	63,776,405	46,430,339	110,206,744	4
5	CARE Balancing Account Rate Per Therm (Ln.2/Ln.4)	\$ (0.04802)	\$ (0.00205)		5
6	CARE Program Rate per Therm (Ln.1/Ln.4)	\$ 0.10756	\$ 0.01283		6
7	BOE Administrative Revenue Requirement [4]			<u>\$ 14,738</u>	7
8	BOE Rate per Therm [3] (Ln.7/Ln.4)			<u>\$ 0.00013</u>	8
9	CPUC Administrative Revenue Requirement [4]			<u>\$ 0.00000</u>	9
10	CPUC Administrative Rate per Therm (Ln.9/Ln.4)			<u>\$ 0.00000</u>	10
11	CARE PPP Rate per Therm (Lns.5+6+8+10)	<u>\$ 0.05967</u>	<u>\$ 0.01091</u>		11
<u>ESA PPP Components</u>					
12	ESA Revenue Requirement [1]			\$ 6,324,695	12
13	ESA Carry-over budget from 2017/2018			<u>\$ 1,219,555</u>	13
14	2016 ESA Budget including carry-over from 2017/2018			<u>\$ 7,544,250</u>	14
15	ESA Balancing Account [2]			<u>\$ (1,114,104)</u>	15
16	2018 Adjusted ESA budget			<u>\$ 6,430,146</u>	16
17	ESA Applicable Volume (Therms) [5]			134,018,864	17
18	ESA PPP Component Rate per Therm (Ln.16/Ln.17)			<u>\$ 0.04798</u>	18
<u>CEE PPP Component</u>					
19	CEE Revenue Requirement [6]			\$ 1,000,000	19
20	CEE Balancing Account [2]			<u>\$ (1,606,547)</u>	20
21	2018 Adjusted CEE budget			<u>\$ (606,547)</u>	21
22	CEE PPP Component Rate per Therm (Ln.21/Ln.17)			<u>\$ (0.00453)</u>	22
<u>R&D PPP Component</u>					
23	R & D Revenue Requirement			\$ 311,374	23
24	R & D Balancing Account [7]			<u>\$ 196,860</u>	24
25	2019 Adjusted R&D budget			<u>\$ 508,234</u>	25
26	R & D Rate per Therm (Ln.23/Ln.17)			<u>\$ 0.00379</u>	26

[1] Funding levels approved in D.18-08-020.

[2] General Ledger Ending Balance September 30, 2018, including BOE Activity Adjustment. Balancing Account adjustment approved in D.04-08-010.

[3] Three-year (36 consecutive months ended September 30, 2018) average volumes for Southern California and Northern California, including South Lake Tahoe ratemaking areas, excluding exempt volumes.

[4] Amounts provided by the Energy Division on August 31, 2018.

[5] Three-year (36 consecutive months ended September 30, 2018) average state-wide volumes, excluding exempt volumes.

[6] Funding approved in D.14-06-028.

[7] General Ledger Ending Balance September 30, 2018.



ADVICE LETTER SUMMARY

ENERGY UTILITY

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

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

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Valerie J. Ontiveroz

Phone #: 702 876-7323

E-mail: valerie.ontiveroz@swgas.com

E-mail Disposition Notice to: valerie.ontiveroz@swgas.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 1082

Tier Designation: Tier 2

Subject of AL: Update Southwest Gas' Public Purpose Program (PPP) Surcharges.

Keywords (choose from CPUC listing): Preliminary Statement

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: D.04-08-010

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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

Resolution required? Yes No

Requested effective date: 1/1/19

No. of tariff sheets: 1

Estimated system annual revenue effect (%): (0.65)% SCA, 2.48% NCA, 3.23% SLT

Estimated system average rate effect (%): (0.65)% SCA, 2.48% NCA, 3.23% 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: Not applicable

Service affected and changes proposed¹: 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 submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Mr. Justin Lee Brown
Title: Senior Vice-President/General Counsel
Utility Name: Southwest Gas Corporation
Address: P. O. Box 98510
City: Las Vegas State: Nevada
Telephone (xxx) xxx-xxxx: 702-876-7183
Facsimile (xxx) xxx-xxxx: 702-364-3452
Email: justin.brown@swgas.com

Name:
Title:
Utility Name:
Address:
City: State: Nevada
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Clear Form