

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 24, 2019

Advice Letter 1112-G

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

SUBJECT: Extension of the Conditional Approval Granted to Southwest Gas Corporation Regarding Preliminary Statement 17 - Gas Cost Incentive Mechanism.

Dear Mr. Brown:

Advice Letter 1112-G is effective as of November 1, 2019.

Sincerely,

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

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division



SOUTHWEST GAS CORPORATION

October 1, 2019

Advice 1112-G
(U 905 G)

Public Utilities Commission of the State of California

Subject: Extension of the Conditional Approval Granted to Southwest Gas Corporation Regarding Preliminary Statement 17 – Gas Cost Incentive Mechanism

Purpose

The purpose of this Advice Letter is to request an extension of the conditional approval granted to Southwest Gas for its revisions to Preliminary Statement 17 – Gas Cost Incentive Mechanism (GCIM). There are no tariff sheets associated with this Advice Letter.

Background

On March 23, 2016, Southwest Gas filed Advice Letter No. 1006, requesting approval to modify its Preliminary Statement 17 concerning its GCIM. Specifically, the GCIM modifications allow for the appropriate evaluation of Southwest Gas' natural gas purchases (i.e., daily purchases v. daily indices, monthly purchases v. monthly indices) and provide for the flexibility to address and account for events that influence the Company's natural gas procurement that are outside Company' control. On October 28, 2016, the Energy Division approved Southwest Gas' GCIM modifications for the GCIM reporting period November 1, 2016 through October 31, 2017. Pursuant to the Energy Division, "If [Southwest Gas] chooses to extend the modifications beyond October 31, 2017, [Southwest Gas] must request an extension for these modifications either through another [A]dvice [L]etter filing or include it in another [Commission] proceeding, such as its upcoming GRC filing scheduled for September 2017."¹

The Company's need to modify its GCIM was driven by: 1) Southern California Gas Company's (SoCalGas) implementation of tariff changes permitting high and low Operational Flow Orders (OFOs) and Emergency Flow Orders (EFOs); 2) Southwest Gas' concerns about the availability of SoCalGas' Aliso Canyon underground storage facility; and 3) SoCalGas' implementation of daily balancing on its system. These events impact Southwest Gas' natural gas procurement practices, resulting in the potential need for Southwest Gas to make daily

¹ Advice Letter Nos. 1048 (GCIM reporting period November 1, 2017 through October 31, 2018) and 1081 (GCIM reporting period November 1, 2018 through October 31, 2019) were approved by the Energy Division in October 2017 and October 2018, respectively.



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natural gas purchases in the Company's Southern California service territory. These conditions surrounding the Company's request to modify its GCIM remain.

Additionally, on February 1, 2019, Southwest Gas filed Application (A.) 19-02-002 with the Commission to, among other things, codify in the tariff the temporary changes to the GCIM that were approved by the Energy Division through Advice Letter No. 1006. A.19-02-002 is still pending before the Commission.

Southwest Gas therefore requests an extension of its approved GCIM tariff modifications beginning with its upcoming GCIM reporting period on November 1, 2019 and continuing until such time that the Commission renders a decision in A.19-02-002.

This Advice Letter will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

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 Disposition) pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests that this Advice Letter be approved by October 31, 2019, which is thirty days from the date submitted, and made effective November 1, 2019, consistent with the start of Southwest Gas' next GCIM reporting period.

Protest

Anyone may protest this Advice Letter to the California Public Utilities 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 submission, and shall be sent by letter via U.S. Mail, facsimile, or electronically. 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:



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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

Southwest Gas believes it is exempt from the notice requirements set forth in General Rule 4.2 of GO 96-B, since this Advice Letter will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule that are currently in effect.

Service

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

Communications regarding this submission should be directed to:

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

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Valerie J. Ontiveroz

Attachments

Distribution List

Advice Letter No. 1112

In conformance with GO 96-B, General Rule 4.3

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

Elizabeth Echols, Director
Public Advocates Office
elizabeth.echols@cpuc.ca.gov

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
Public Advocates Office
California Public Utilities Commission
robert.pocta@cpuc.ca.gov

Nathaniel Skinner
Public Advocates Office
California Public Utilities Commission
nathaniel.skinner@cpuc.ca.gov

Pearlie Sabino
Public Advocates Office
California Public Utilities Commission
pearlie.sabino@cpuc.ca.gov



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

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:

Summarize differences between the AL and the prior withdrawn or rejected AL:

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:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

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

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

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