

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 23, 2019

Southwest Gas Advice Letter 1118-G/1118-A-G

Valerie J. Ontiveroz
Regulatory Manager/California
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510

Subject: Staff Disposition of Southwest Gas's Advice Letter Submission, "2020 Annual Regulatory Balancing Account Update, and Transportation and Storage Adjustments"

Dear Ms. Ontiveroz,

Southwest Gas Advice Letter 1118-G/1118-A-G is approved with an effective date of January 1, 2020, with the following modification: Tables C and D of Attachment C, which pertain to GHG Allowance Proceeds and GHG Outreach and Administrative Expenses, are not approved. All balances in the accounts authorized for recovery are subject to audit, verification, and adjustment. Southwest Gas submitted Supplemental Advice Letter No. 1118-A-G on December 19, 2019 to correct an error discovered on Table A in Attachment C to Advice Letter No. 1118-G. Southwest Gas is replacing Attachment C in its entirety, as well as all tariff sheets originally submitted in Advice Letter No. 1118-G. All other aspects of the original letter remain unchanged. On December 20, 2019, Southwest Gas submitted Substitute Sheets to Supplemental Advice Letter No. 1118-A-G to correct formulaic errors discovered in Table C and D of Attachment C. The enclosed Attachment C in the Substitute Sheet filing replace the originally submitted Attachment C in Advice Letter No. 1118-A-G.

Background

On November 27, 2019, Southwest Gas filed Advice Letter 1118-G, which requests approval for revisions to its revenue requirement and rates effective January 1, 2020.

Ordering Paragraph 5 of D.15-10-032 specifies that "Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas and Electric Company, and Southwest Gas Company shall annually forecast and reconcile its natural gas greenhouse gas compliance costs and allowance proceeds as part of its existing annual natural gas true-up advice letters that set transportation rates. The advice letter should also include a calculation of the compliance instrument procurement limit." This direction was reiterated in D.18-03-017, which specified in Ordering Paragraph 9 and Ordering Paragraph 10 that all four gas corporations must include the required tables in their annual filings.

Advice Letter 1118-G contains the forecasted revenue requirement for greenhouse gas (GHG) costs and the allowance proceed information, as required. The advice letter does not, however, account for changes enacted pursuant to SB 1477 (Stern, 2018), which took effect on January 1,

2019, and added new Public Utilities Code Section 748.6, which would impact the GHG allowance proceeds available for return to ratepayers. That new code section reads as follows:

Beginning with the fiscal year commencing July 1, 2019, and ending with the fiscal year ending June 30, 2023, the commission shall annually allocate fifty million dollars (\$50,000,000) of the revenues, including any accrued interest, received by a gas corporation as a result of the direct allocation of greenhouse gas emissions allowances provided to gas corporations as part of a market-based compliance mechanism adopted pursuant to subdivision (c) of Section 38562 of the Health and Safety Code to fund the Building Initiative for Low-emissions Development (BUILD) Program (Article 12 (commencing with Section 921)) and the Technology and Equipment for Clean Heating (TECH) Initiative (Article 13 (commencing with Section 922)).

SB 1477 is currently being implemented by the CPUC as part of the Building Decarbonization proceeding - R.19-01-011. A Decision specifying how the four gas corporations that participate in the Cap-and-Trade program should withhold and direct their respective share of the \$50 million needed to fund BUILD and TECH has not yet issued. According to the proceeding's scoping memo, a Phase 1 Proposed Decision is anticipated before the end of 2019.

Even though the CPUC has yet to order specific details on how the funds associated with SB 1477 implementation should be tracked and disbursed, the statutory obligation to allocate \$50 million of allowance proceeds annually over four years beginning in Fiscal Year 2019-20 remains. It is necessary to allocate funding for the first year of the four-year period to comply with clear statutory language and to avoid needlessly delaying the implementation of the two pilot programs. Consequently, a modification to this advice letter consistent with the rules outlined in Section 7.6.1 of General Order 96-B is necessary to address a set-aside for the first year's funding for these statutorily mandated pilot programs.

Disposition

Energy Division approves Southwest Gas Advice Letter 1118-G with the following modification: Tables C and D of Attachment C, which pertain to GHG Allowance Proceeds and GHG Outreach and Administrative Expenses, are not approved. The revenue requirement associated with GHG costs, however, is approved for inclusion in rates on January 1, 2020. The CPUC shall dispense with matters pertaining to GHG proceeds as they relate to all four gas corporations via a separate resolution.

Please contact Adam Banasiak at 415-703-4304 or Adam.Banasiak@cpuc.ca.gov for any questions relating to GHG proceeds and expenses. All other questions should be directed to Gelila Berhane at 415-703-1572 or Gelila.Berhane@cpuc.ca.gov.

Sincerely,



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

cc:

Pete Skala, Energy Division, CPUC (Pete.Skala@cpuc.ca.gov)

Simon Baker, Energy Division, CPUC (Simon.Baker@cpuc.ca.gov)

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Adam Banasiak, Energy Division, CPUC (Adam.Banasiak@cpuc.ca.gov)



SOUTHWEST GAS CORPORATION

December 19, 2019

Advice Letter No. 1118-A-G

(U 905 G)

Public Utilities Commission of the State of California

Subject: Supplement – 2020 Annual Regulatory Balancing Account Update, and Transportation and Storage Adjustments

Southwest Gas Corporation (Southwest Gas or Company) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its California Gas Tariff. The tariff sheets being modified because of this submission are listed in Attachment A.

Purpose

The purpose of this submission is to supplement in part Advice Letter No. 1118, which was submitted on November 27, 2019. Advice Letter No. 1118 seeks to update the following: 1) balancing account surcharges related to the Fixed Cost Adjustment Mechanism (FCAM) and the Interstate Transportation Cost Adjustment Mechanism (ITCAM); 2) transportation and storage rates; 3) forecasts and actual Greenhouse Gas (GHG) Costs and Allowance Revenue Proceeds in accordance with (D.) 15-10-032, as modified by D.18-03-017; 4) balancing account surcharges related to the Natural Gas Leak Abatement Program as authorized in Ordering (OP) 6 in Resolution G-3538; and 5) address the Mobilehome Park Conversion Balancing Account surcharges.

This submission corrects an error discovered on Table A in Attachment C to Advice Letter No. 1118. Specifically, Line 12 on Table A does not correctly reflect 50 percent of the “Directly Allocated Allowances” noted on Line 10 (656,821). The figure on Line 12, as submitted was 301,821, when it should have been 328,410. The error on Line 12 ultimately results in an error in the “Non-Covered Entity Rate Impact (\$/therm)” (Line 22). Line 22 was submitted as \$0.05475/therm when it should have been \$0.05800/therm. This correction also affects the submitted Statement of Rates tariff sheets (Sheet Nos. 65 through 73).

Finally, on tariff Sheet No. 67, the first asterisked (*) note regarding the FCAM surcharge contains the amount \$.00568, when it should have been (\$.00568). This revision has also been made in this submission.

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Although only Table A in Attachment C is affected by the corrections explained above, Southwest Gas is replacing Attachment C in its entirety¹, as well as all tariff sheets originally submitted in Advice Letter No. 1118. All other aspects of the original Advice Letter remain unchanged.

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 that this Advice Letter be approved December 27, 2019, which is the originally requested approval date for Advice Letter No. 1118, with rates effective January 1, 2020.

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 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

¹ Pursuant to D.15-10-032 and D.16-08-024, Southwest Gas considers certain information contained in Table A confidential, including Gross Throughput (Line 1), Throughput to Covered Entities (Line 2), as well as all information provided in Table B. This information will be provided to the Energy Division confidentially, under separate cover.



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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 this Advice Letter is submitted in compliance with the various decisions noted in Advice Letter No. 1118.

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. 1118-A-G

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
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ATTACHMENT A
Advice Letter No. 1118-A-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
135th Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	131st and 133rd Revised Sheet No. 65
136th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	131st and 134th Revised Sheet No. 66
62nd Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	60th and 61st Revised Sheet No. 67
132nd Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	128th and 130th Revised Sheet No. 68
134th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	130th and 132nd Revised Sheet No. 69
77th Revised Sheet No. 70	Statement of Rates - Rates Applicable to Northern California Service Area	75th and 76th Revised Sheet No. 70
134th Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	130th and 132nd Revised Sheet No. 71
71st Revised Sheet No. 72	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	67th and 69th Revised Sheet No. 72
16th Revised Sheet No. 73	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	14th and 15th Revised Sheet No. 73

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			
GS-10-Residential Gas Service									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Baseline Quantities	\$.73989	\$.15381	\$.89370	\$.00247	\$.11166	\$.23753	\$ 1.24536		R
Tier II	\$.91116	.15381	1.06497	.00247	.11166	.23753	1.41663		R
GS-11-Residential Air-Conditioning Gas Service									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Tier I	\$.73989	\$.15381	\$.89370	\$.00247	\$.11166	\$.23753	\$ 1.24536		R
Tier II	.91116	.15381	1.06497	.00247	.11166	.23753	1.41663		R
Air-Conditioning	\$.36995	.15381	.52376	.00247	.11166	.23753	.87542		R
GS-12-CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$.51364	\$.15381	\$.66745	\$.00247	\$.05199	\$.23753	\$.95944		R
Tier II	.65066	.15381	.80447	.00247	.05199	.23753	1.09646		R
GS-15-Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$ 1.13141	\$.15381	\$ 1.28522	\$.00247	\$.11166	\$.23753	\$ 1.63688		R
GS-20-Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.73989	\$.15381	\$.89370	\$.00247	\$.11166	\$.23753	\$ 1.24536		R
Tier II	.91116	.15381	1.06497	.00247	.11166	.23753	1.41663		R
GS-25-Multi-Family Master-Metered Gas Service-Submetered									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.73989	\$.15381	\$.89370	\$.00247	\$.11166	\$.23753	\$ 1.24536		R
Tier II	.91116	.15381	1.06497	.00247	.11166	.23753	1.41663		R
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	\$.44444	\$.15381	\$.59825	\$.00247	\$.05199	\$.23753	\$.89024		R
Next 500	.30701	.15381	.46082	.00247	.05199	.23753	.75281		R
Next 2,400	.19707	.15381	.35088	.00247	.05199	.23753	.64287		R
Over 3,000	.07655	.15381	.23036	.00247	.05199	.23753	.52235		R
GS-40-Core General Gas Service (non-Covered Entities)									
Basic Service Charge	\$ 11.00							\$ 11.00	
Transportation Service Charge	\$ 780.00							\$ 780.00	
Cost per Therm									
First 100	\$.65339	\$.15381	\$.80720	\$.00247	\$.11166	\$.23753	\$ 1.15886		R
Next 500	.48160	.15381	.63541	.00247	.11166	.23753	.98707		R
Next 2,400	.34417	.15381	.49798	.00247	.11166	.23753	.84964		R
Over 3,000	.19352	.15381	.34733	.00247	.11166	.23753	.69899		R

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	<u>Other Surcharges</u>		Gas Cost	Effective Sales Rate	
				CPUC	PPP			
<u>GS-40-Core General Gas Service (Covered Entities)</u>								
Basic Service Charge	\$11.00						\$11.00	
Transportation Service Charge	\$780.00						\$780.00	
Cost per Therm								
First 100	\$.65339	\$.09654	\$.74993	\$.00247	\$.11166	\$.23753	\$ 1.10159	R
Next 500	\$.48160	.09654	.57814	.00247	.11166	.23753	.92980	R
Next 2,400	\$.34417	.09654	.44071	.00247	.11166	.23753	.79237	R
Over 3,000	\$.19352	.09654	.29006	.00247	.11166	.23753	.64172	R
<u>GS-50-Core Natural Gas Service for Motor Vehicles</u>								
Basic Service Charge	\$25.00						\$25.00	
Cost per Therm	\$.12843	\$.15381	\$.28224	\$.00247	\$.11166	\$.23753	\$.63390	R
<u>GS-60-Core Internal Combustion Engine Gas Service</u>								
Basic Service Charge	\$25.00						\$25.00	
Cost per Therm	\$.19171	\$.15381	\$.34552	\$.00247	\$.11166	\$.23753	\$.69718	R
<u>GS-LUZ-Solar Electric Generation Gas Service</u>								
Basic Service Charge	\$50.00						\$50.00	
Cost per Therm	\$.05497	(\$.00495)	\$.05002	\$.00247			\$.05249	R
<u>GS-66-Core Small Electric Power Generation Gas Service</u>								
Basic Service Charge	\$25.00						\$25.00	
Cost per Therm	\$.27990	\$.15381	\$.43371	\$.00247		\$.23753	\$.67371	R
<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	\$.14040	\$.11041	\$.25081	\$.00247	\$.11166		\$.36494	R
<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	\$.39123	\$.15381	\$.54504	\$.00247		\$.23753	\$.78504	R
<u>TFF-Transportation Franchise Fee Surcharge Provision</u>								
TFF Surcharge per Therm							\$.00300	
<u>TDS - Transportation Distribution System Shrinkage Charge</u>								
TDS Charge per Therm							\$.00181	
<u>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</u>								
MHPS Surcharge per Space per Month							\$.21000	

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

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.76%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GS-10, GS-11, GS-12, GS-15, GS-20, GS-25, GS-35,	GS-40 (non- Covered Entities), GS-50, GS-60, GS-66	GS-40, (Covered Entities)	GS-70	GS-VIC	GS-LUZ
Upstream Intrastate Charges						
Storage	\$.01411		\$.01411		\$.01411	
Variable	.05493		.05493	\$.05493	.05493	
Upstream Interstate Reservation Charges	.05203		.05203		.05203	
IRRAM Surcharge	.00000		.00000	.00000		
Balancing Account Adjustments						
FCAM*	(.02843)		(.02843)	(.00568)	(.02843)	\$(.00568)
ITCAM	(.01312)		(.01312)	(.01312)	(.01312)	
GHGBA**						
Non-Covered Entities [a]	.05800			.05800	.05800	
Covered Entities [a]			.00073			.00073
NERBA	.00057		.00057	.00057	.00057	
NGLAPBA	.00987		.00987	.00987	.00987	
MHPCBA	.00584		.00584	.00584	.00584	
Total Rate Adjustment	\$.15381		\$.09654	\$.11041	\$.15381	\$(.00495)

* The FCAM surcharge includes an amount of (\$.00568) 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).

[a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

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	\$.77998	\$.13195	\$.91193	\$.00247	\$.06290	\$.34130	\$ 1.31860		R
Tier II	.89079	.13195	1.02274	.00247	.06290	.34130	1.42941		R
GN-12-CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$.52933	\$.13195	\$.66128	\$.00247	\$.05199	\$.34130	\$ 1.05704		R
Tier II	.61798	.13195	.74993	.00247	.05199	.34130	1.14569		R
GN-15-Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$.93665	\$.13195	\$ 1.06860	\$.00247	\$.06290	\$.34130	\$ 1.47527		R
GN-20-Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.77998	\$.13195	\$.91193	\$.00247	\$.06290	\$.34130	\$ 1.31860		R
Tier II	.89079	.13195	1.02274	.00247	.06290	.34130	1.42941		R
GN-25-Multi-Family Master-Metered Gas Service-Submetered									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.77998	\$.13195	\$.91193	\$.00247	\$.06290	\$.34130	\$ 1.31860		R
Tier II	.89079	.13195	1.02274	.00247	.06290	.34130	1.42941		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	\$.41843	\$.13195	\$.55038	\$.00247	\$.05199	\$.34130	\$.94614		R
Next 500	.31490	.13195	.44685	.00247	.05199	.34130	.84261		R
Next 2,400	.21412	.13195	.34607	.00247	.05199	.34130	.74183		R
Over 3,000	.06617	.13195	.19812	.00247	.05199	.34130	.59388		R
GN-40-Core General Gas Service (non-Covered Entities)									
Basic Service Charge	\$ 11.00							\$ 11.00	
Transportation Service Charge	\$ 780.00							\$ 780.00	
Cost per Therm									
First 100	\$.64135	\$.13195	\$.77330	\$.00247	\$.06290	\$.34130	\$ 1.17997		R
Next 500	.51194	.13195	.64389	.00247	.06290	.34130	1.05056		R
Next 2,400	.38596	.13195	.51791	.00247	.06290	.34130	.92458		R
Over 3,000	.20102	.13195	.33297	.00247	.06290	.34130	.73964		R

STATEMENT OF RATES
RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

	Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC PPP		Gas Cost	Effective Sales Rate	
GN-40-Core General Gas Service (Covered Entities)								
Basic Service Charge	\$ 11.00						\$ 11.00	
Transportation Service Charge	\$780.00						\$780.00	
Cost per Therm								
First 100	\$.64135	\$.07468	\$.71603	\$.00247	\$.06290	\$.34130	\$ 1.12270	R
Next 500	.51194	.07468	.58662	.00247	.06290	.34130	.99329	R
Next 2,400	.38596	.07468	.46064	.00247	.06290	.34130	.86731	R
Over 3,000	.20102	.07468	.27570	.00247	.06290	.34130	.68237	R
GN-50-Core Natural Gas Service for Motor Vehicles								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.10723	\$.13195	\$.23918	\$.00247	\$.06290	\$.34130	\$.64585	R
GN-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.30193	\$.13195	\$.43388	\$.00247	\$.06290	\$.34130	\$.84055	R
GN-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.29153	\$.13195	\$.42348	\$.00247		\$.34130	\$.76725	R
GN-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00						\$ 100.00	
Transportation Service Charge	\$ 780.00						\$ 780.00	
Cost per Therm	\$.18129	(\$.03000)	\$.15129	\$.00247	\$.06290		\$.21666	R
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm							\$.00345	
TDS – Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm							\$.00191	
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision								
MHPS Surcharge per Space per Month							\$.21000	

STATEMENT OF RATES

RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.56%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] A Franchise Fee differential of 2.5% will be applied to monthly billings calculated for all rate schedules for all customers within the limits of the Town of Truckee.

[3] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GN-10, GN-12, GN-15, GN-20, GN-25, GN-35,	GN-40 (non- Covered Entities), GN-50, GN-60, GN-66	GN-40, (Covered Entities)	GN-70
Upstream Interstate Charges				
Storage	\$.02112		\$.02112	
Reservation	.19363		.19363	
IRRAM Surcharge	.00000		.00000	\$.00000
Balancing Account Adjustments				
FCAM*	(.14411)		(.14411)	(.09131)
GHGBA**				
Non-Covered Entities [a]	.05800			.05800
Covered Entities [a]			.00073	
NERBA	.00051		.00051	.00051
NGLAPBA	.00215		.00215	.00215
MHPCBA	.00065		.00065	.00065
Total Rate Adjustment	\$.13195		\$.07468	(\$.03000)

* The FCAM surcharge includes an amount of (\$.09131) 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).

[a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

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

Schedule No. and Type of Charge	Margin	Charges [2] and		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
		Adjustments			CPUC	PPP		
SLT-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.34482	\$.22894	\$.57376	\$.00247	\$.06290	\$.34130	\$.98043	
Tier II	.43236	.22894	.66130	.00247	.06290	.34130	1.06797	
SLT-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.16181	\$.22894	\$.39075	\$.00247	\$.05199	\$.34130	\$.78651	
Tier II	.23184	.22894	.46078	.00247	.05199	.34130	.85654	
SLT-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$.47664	\$.22894	\$.70558	\$.00247	\$.06290	\$.34130	\$ 1.11225	
SLT-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$.34482	\$.22894	\$.57376	\$.00247	\$.06290	\$.34130	\$.98043	
Tier II	.43236	.22894	.66130	.00247	.06290	.34130	1.06797	
SLT-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$.34482	\$.22894	\$.57376	\$.00247	\$.06290	\$.34130	\$.98043	
Tier II	.43236	.22894	.66130	.00247	.06290	.34130	1.06797	
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	\$.25244	\$.22894	\$.48138	\$.00247	\$.05199	\$.34130	\$.87714	
Next 500	.19746	.22894	.42640	.00247	.05199	.34130	.82216	
Next 2,400	.14250	.22894	.37144	.00247	.05199	.34130	.76720	
Over 3,000	.04792	.22894	.27686	.00247	.05199	.34130	.67262	
SLT-40-Core General Gas Service (non-Covered Entities)								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$.45811	\$.22894	\$.68705	\$.00247	\$.06290	\$.34130	\$ 1.09372	
Next 500	.38939	.22894	.61833	.00247	.06290	.34130	1.02500	
Next 2,400	.32068	.22894	.54962	.00247	.06290	.34130	.95629	
Over 3,000	.20246	.22894	.43140	.00247	.06290	.34130	.83807	

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	<u>Other Surcharges</u>		Gas Cost	Effective Sales Rate
				CPUC	PPP		
SLT-40-Core General Gas Service (Covered Entities)							
Basic Service Charge	\$11.00						\$11.00
Transportation Service Charge	\$780.00						\$780.00
Cost per Therm							
First 100	\$.45811	\$.17167	\$.62978	\$.00247	\$.06290	\$.34130	\$ 1.03645
Next 500	.38939	.17167	.56106	.00247	.06290	.34130	.96773
Next 2,400	.32068	.17167	.49235	.00247	.06290	.34130	.89902
Over 3,000	.20246	.17167	.37413	.00247	.06290	.34130	.78080
SLT-50-Core Natural Gas Service for Motor Vehicles							
Basic Service Charge	\$11.00						\$11.00
Cost per Therm	\$.22096	\$.22894	\$.44990	\$.00247	\$.06290	\$.34130	\$.85657
SLT-60-Core Internal Combustion Engine Gas Service							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm	\$.25140	\$.22894	\$.48034	\$.00247	\$.06290	\$.34130	\$.88701
SLT-66-Core Small Electric Power Generation Gas Service							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm	\$.25140	\$.22894	\$.48034	\$.00247		\$.34130	\$.82411
SLT-70-Noncore General Gas Transportation Service							
Basic Service Charge	\$ 100.00						\$ 100.00
Transportation Service Charge	\$ 780.00						\$ 780.00
Cost per Therm	\$.18433	\$.06699	\$.25132	\$.00247	\$.06290		\$.31669
TFF-Transportation Franchise Fee Surcharge Provision							
TFF Surcharge per Therm							\$.00345
TDS-Transportation Distribution System Shrinkage Charge							
TDS Charge per Therm							\$.00191
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision							
MHPS Surcharge per Space per Month							\$.21000

STATEMENT OF RATES

RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

[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-12, SLT-15, SLT-20, SLT-25, SLT-35,	SLT-40 (non- Covered Entities), SLT-50, SLT-60, SLT-66	SLT-40, (Covered Entities)	SLT-70
Upstream Interstate Charges				
Storage	\$.02112		\$.02112	
Reservation	.19363		.19363	
IRRAM Surcharge	.00000		.00000	\$.00000
Balancing Account Adjustments				
FCAM*	(.04685)		(.04685)	.00595
GHGBA**				
Non-Covered Entities [a]	.05800			.05800
Covered Entities [a]			.00073	
NERBA	.00062		.00062	.00062
NGLAPBA	.00141		.00141	.00141
MHPCBA	.00101		.00101	.00101
Total Rate Adjustment	\$.22894		\$.17167	\$.06699

* The FCAM surcharge includes an amount of \$.00595 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).

[a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

**ADVICE LETTER NO. 1118-A
ATTACHMENT C**

GHG Costs, Allowance Proceeds and California Climate Credit
(D.15-10-032 Attachment A Tables A – E)

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118-A
D.15-10-032 - Appendix A
Table A: Forecast Revenue Requirement

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Gross Throughput (MMcf) CONFIDENTIAL						
2	Throughput to Covered Entities (MMcf) CONFIDENTIAL						
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	13,952		14,071		14,595	
4		98	98	99		104	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)	14,050	13,404	14,170		14,698	
6	Emissions Conversion Factor (MTCO ₂ e/MMcf)	54.64437	54.64437	54.64437		54.64437	
7	Compliance Obligation for End Users and LUAF (MTCO ₂ e) (Line 5 * Line 6)	767,749	732,435	774,289		803,169	
8	Compliance Obligation for Company Facilities (MTCO ₂ e)	0	0	0		0	
9	Gross Compliance Obligation (MTCO₂e) (Line 7 + Line 8)	767,749	732,435	774,289		803,169	
10	Directly Allocated Allowances	(685,378)	(685,378)	(670,714)		(656,821)	
11	Percentage Consigned to Auction	40%	40%	45%		50%	
12	Consigned Allowances (Line 10 * Line 11)	274,151	274,151	301,821		328,410	
13	Net Compliance Obligation (MTCO₂e) (Line 9 + Line 10+ Line 12)	356,522	321,208	405,396		474,759	
14	Proxy GHG Allowance Price ^{2,3}	\$ 15.08	14.73 \$	15.66		18.04	
15	Compliance Instrument Cost	\$ 5,376,350	\$ 4,066,475	\$ 6,348,501		\$ 8,564,650	
16	Interest		\$ 162,822				
17	Franchise Fees & Uncollectibles ⁴	\$ 87,634	\$ 66,284	\$ 103,481		\$ 139,604	
18	Revenue Requirement (Line 15 + Line 16 + Line 17)	\$ 5,463,984	\$ 4,295,580	\$ 6,451,981		\$ 8,704,253	
19	Previous Year's Cost Balancing Subaccount Balance ⁵	\$	(25,872)	\$		\$	
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 5,463,984	\$ 4,269,708	\$ 6,451,981		\$ 8,704,253	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00061	\$	0.00063		\$ 0.00073	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.03809	\$	0.04460		\$ 0.05800	

Footnotes

- 1 Lost and unaccounted for gas percentages were authorized in Southwest Gas' last General Rate Case (GRC) Decision 14-06-028
- 2 The forecasted proxy price is the November 6, 2019, futures settlement price for vintage year 2020 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated November 6, 2019, Futures Daily Market Report for Physical Environmental, "CAY-California Carbon Allowance Future-Vintage 2020." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.
- 3 The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2019 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAW-California Carbon Allowance Future-Vintage 2018 - California Carbon Allowance Vintage 2018" and the "CAX-California Carbon Allowance Future-Vintage 2019 - California Carbon Allowance Vintage 2019 ." This methodology is consistent with Southwest Gas' methodology
- 4 The F&U Rate was authorized in Southwest Gas' last General Rate Case (GRC) Decision 14-06-028
- 5 Previous Year's Cost Balancing Subaccount Balance of \$602,115 (due to netting 2015-2017 costs, revenues and admin expense) less recovery revenues through September 30, 2018 of \$(627,987).

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118-A
D.15-10-032 - Appendix A
Table C: GHG Allowance Proceeds

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT) ^{1,2}	\$ 15.08	\$	15.66	\$	18.04	
2	Directly Allocated Allowances	685,378	685,378	670,714		656,821	
3		40%	40%	45%		50%	
4	Consigned Allowances	274,151	274,151	301,821		328,410	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)						
5	Allowance Proceeds	\$ (4,134,197)	\$ (4,049,210)	\$ (4,726,522)	\$	\$ (5,924,521)	
6	Emissions Conversion Factor (MTCO ₂ e/MMcf)		\$ 602,049				
7	Interest		\$ 45,549				
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (4,134,197)	\$ (3,401,612)	\$ (4,726,522)	\$	\$ (5,924,521)	\$
9	Outreach and Admin Expenses (\$) (from Table D)	\$ 11,220	\$ 3,527	\$ 64,260	\$	\$ -	\$ -
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9)	\$ (4,122,977)	\$ (3,398,085)	\$ (4,662,262)	\$	\$ (5,924,521)	\$
11	Number of Residential Households	184,203		187,558		-	
12	Per Household California Climate Credit (\$) (Line 10 / Line 11)	\$ 22.38	\$	\$ 24.86		#DIV/0!	

Footnotes

- The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2018 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAW-California Carbon Allowance Future-Vintage 2018 - California Carbon Allowance Vintage 2018." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.
- The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2018 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAX-California Carbon Allowance Future-Vintage 2019 - California Carbon Allowance Vintage 2019." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.
- The forecasted proxy price is the November 6, 2019, futures settlement price for vintage year 2020 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated November 6, 2019, Futures Daily Market Report for Physical Environmental, "CAY-California Carbon Allowance Future-Vintage 2020." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118-A
D.15-10-032 - Appendix A

Table D: GHG Outreach and Administrative Expenses

Line	Description	2018		2019		2020	
		Forecast Recorded	Forecast Recorded	Forecast Recorded	Forecast Recorded		
1	Outreach Expenses						
2	Detail of Outreach Activity (\$)						
3	Website Page	\$ 2,000					
4	E-Blasts	\$ 5,000	\$ 2,037	\$ 5,000	\$ 1,155	\$ 1,500	
5		\$ 3,000		\$ 3,000			
6	On-Bill Message	\$ -					
7	Total Supplied Gas (MMcf) (Line 3 + Line 4)	\$ 1,000					
8	Post Phone Survey	\$ -		\$ 55,000			
9	Emissions Conversion Factor (MTCO ₂ e/MMcf)	\$ 11,000	\$ 2,037	\$ 63,000	\$ 1,155	\$ 1,500	\$ -
10	Administrative Expenses						
11	Detail of Administrative Activity (\$)						
12	Programming	\$ -					
13	Testing	\$ -					
14	Subtotal Administrative (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Subtotal Outreach and Administrative (\$)	\$ 11,000	\$ 2,037	\$ 63,000	\$ 1,155	\$ -	\$ -
16	Interest (\$)	\$ 220	\$ 12	\$ 1,260	\$ 23	\$ -	\$ -
17	Total (\$)	\$ 11,220	\$ 2,049	\$ 64,260	\$ 1,178	\$ -	\$ -

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118-A
D.15-10-032 - Appendix A

Table E: Compliance Obligation Over Time

	2015	2016 ¹	2017	2018	2019	2020
Natural Gas Fuel Supplier Compliance Obligation (MTCO ₂ e)	668,077	695,026	718,067	725,918		
Company Facility Compliance Obligation (MTCO ₂ e)	Gross Through	0	0	0	0	0

¹In Advice Letter No. 1072, Southwest Gas' Compliance Obligation was inadvertently noted as 695,462.



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) #: 1118-A

Tier Designation: Tier 2

Subject of AL: Supplement - Annual Regulatory Balancing Account Update for Rates Effective January 1, 2020

Keywords (choose from CPUC listing): Increase rates, 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:

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: 1/1/20

No. of tariff sheets: 9

Estimated system annual revenue effect (%): SCA (12.69%); NCA (0.93%); SLT (0.23%)

Estimated system average rate effect (%): SCA (12.69%); NCA (0.93%); SLT (0.23%)

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.

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: 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:



SOUTHWEST GAS CORPORATION

November 27, 2019

Advice Letter No. 1118-G

(U 905 G)

Public Utilities Commission of the State of California

Subject: 2020 Annual Regulatory Balancing Account Update, and Transportation and Storage Adjustments

Southwest Gas Corporation (Southwest Gas or Company) hereby submits for approval to the California Public Utilities Commission (Commission) revisions to its California Gas Tariff. The tariff sheets being modified with this submission are listed on Attachment A.

Purpose

The purpose of this submission is to update the following: 1) balancing account surcharges related to the Fixed Cost Adjustment Mechanism (FCAM) and the Interstate Transportation Cost Adjustment Mechanism (ITCAM); 2) transportation and storage rates; 3) forecasts and actual Greenhouse Gas (GHG) Costs and Allowance Revenue Proceeds in accordance with (D.) 15-10-032, as modified by D.18-03-017; 4) balancing account surcharges related to the Natural Gas Leak Abatement Program as authorized in Ordering (OP) 6 in Resolution G-3538; and 5) address the Mobilehome Park Conversion Balancing Account surcharges.

Annual Regulatory Balancing Account and Transportation and Storage Rates Updates

1) FCAM, ITCAM and Transportation and Storage Rates

The calculation of Southwest Gas' 2020 FCAM and ITCAM balancing account surcharges and upstream transportation and storage rates are provided in Schedules I and II (Attachment B).

2) GHG Costs, Allowance Proceeds and California Climate Credit

In D.15-10-032, the Commission resolved Phase 2 issues in Rulemaking (R.) 14-03-003,¹ and directed the respondent natural gas utilities, including Southwest gas, to utilize the tables provided in Appendix A to D.15-10-032 to annually forecast their GHG compliance costs and allowance proceeds² and also include a "...narrative summary describing activities completed

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

² OP 6 in D.15-10-032 directs the natural gas utilities to utilize the calculations, methodologies and procedures adopted in Appendix A to D.15-10-032 to implement the California Climate Credit and GHG



in the current year, including any deviations from what was forecasted for the current year, and projecting activities in the forecast year...”³ Accordingly, as set forth below, Southwest Gas has utilized the Tables A through E of Appendix A in D.15-10-032 (Attachment C).

Table A – Forecasted Revenue Requirement

Table A illustrates Southwest Gas’ calculation of the forecasted revenue requirement associated with its recorded GHG compliance as offset by the revenue requirement for the Company’s GHG compliance costs.

Southwest Gas considers certain information contained in Table A confidential, including Gross Throughput (Line 1), Throughput to Covered Entities (Line 2), and is providing this information to the Energy Division confidentially under separate cover pursuant to D.15-10-032 and D.16-08-024.

Table B – Recorded GHG Costs

Southwest Gas has included recorded costs in Table B utilizing the weighted average cost methodology. Because Table B contains confidential information, it is being provided to the Energy Division confidentially under separate cover pursuant to D.15-10-032 and D.16-08-024.

Table C – GHG Allowance Proceeds

Under the Cap-and-Trade Program, the California Air Resources Board (CARB) annually allocates GHG allowances to natural gas utilities for the benefit of their ratepayers, and CARB requires the utilities to consign a minimum percentage of the allowances for sale in CARB’s allowance auctions, with consignment requirements beginning at 25 percent in 2015 and increasing 5 percent annually through 2020.⁴ In D.15-10-032 and D.18-03-017, the Commission found it appropriate to return allowance proceeds received from the sale of GHG allowances to residential customers only as the on-bill California Climate Credit annually each April. The California Climate Credit is calculated as the GHG allowance proceeds remaining after subtracting Southwest Gas’ outreach and administrative expenses from the total allowance proceeds and dividing the result by the number of residential households.⁵ Southwest Gas’ administrative and outreach expenses are discussed below. Southwest Gas forecasts approximately \$5.9 million net GHG allowance proceeds available for return to customers in 2020. Southwest Gas’ 2020 California Climate Credit is \$30.77.

compliance costs and include the Appendix A tables in their annual natural gas true-up advice letters that set transportation rates.

³ D.15-10-032, at pg. 19.

⁴ D.15-10-032, at pg. 5.

⁵ D.15-10-032, at pg. 37.



Table D – Outreach and Administrative Expenses

Southwest Gas' initial Outreach and Education Plan (Plan) was approved with a total forecasted cost of \$65,500⁶ and included the following proposed activity:

- Southwest Gas Website Update
- Email blast
- Bill Insert
- On-Bill messaging
- On-hold phone messaging
- Post Phone Survey

With the exception of the Post Phone Survey, Southwest Gas implemented all of the outreach methods listed above with the distribution of its first California Climate Credit in 2018. Southwest Gas continues to utilize the same outreach methods and has incurred minimal costs of \$2,037 and \$1,155 in 2018 and 2019, respectively. Although Southwest Gas anticipated conducting a Post Phone Survey in 2019, it determined to delay the survey until after the distribution of its California Climate Credit in April 2020 in an effort to obtain a more robust response. However, Southwest Gas has not included the survey costs in its forecasted costs for 2020, since the costs were included in 2019. Additionally, Southwest Gas expects to incur costs related to bill insert printing but has not included the print costs in its forecasted costs for 2020, since these costs were also included in 2019.

Therefore, Southwest Gas has forecasted costs related only to email blasts (\$1,500) for 2020.

Table E – Compliance Obligation Over Time

Southwest Gas has included its 2015 through 2018 verified emissions in Table E.

Compliance Instrument Procurement Limit

The Commission adopted a GHG compliance instrument procurement limit formula for the natural gas utilities in D.14-12-040. Pursuant to D.15-10-032, procurement limits shall be provided to the Energy Division confidentially. As such, Southwest Gas will provide its annual GHG procurement limit to the Energy Division under separate cover.

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⁶ Advice Letter No. 994, approved December 30, 2015.



3) Natural Gas Leak Abatement Program Costs

Resolution G-3538 approved Southwest Gas 2018 and 2019 Natural Gas Leak Abatement Program forecasted costs and applicable rates by balancing account as set forth in Advice Letter Nos. 1055-A and 1055-B.⁷ Pursuant to OP 6 in Resolution G-3538:

The balance in the two-way balancing account shall be subject to refund or recovery from customers in the following year through the Annual Gas True up advice letter filing

Accordingly, through this Advice Letter Southwest Gas only seeks to true up the balances in its Natural Gas Leak Abatement Program Balancing Account (NGLAPBA) related to its approved Research and Development costs. Balances in the NGLAPBA related to its pilot programs, as well as the balance in Southwest Gas' New Environmental Regulatory Balancing Account (NERBA) will be trued up in the Company's 2020 annual submission for rates effective January 1, 2021. The proposed rates are set forth in Attachment D.

4) Mobilehome Park Conversion Program Balancing Account (MHPCBA)

On March 18, 2019, Southwest Gas submitted Advice Letter No. 1097, requesting authorization to implement the MHPCBA surcharges for each of the Company's three rate jurisdictions – Southern California, Northern California and South Lake Tahoe – to recover costs related to the conversion of mobilehome parks under the Commission's Mobilehome Park Utility Upgrade Program. However, due to the timing of approval of its Advice Letter, Southwest Gas implemented the surcharges in September. Given that Southwest Gas uses September ending balances to calculate its rates for the following year, minimal activity has occurred in the MHPCBA. Therefore, Southwest Gas does not seek to adjust its MHPCBA surcharges in this submission and will do so in its 2020 annual submission for rates effective January 1, 2021.

The combined effect of the balancing account updates noted herein will result in an annual revenue decrease of approximately \$17,423,286 or 12.92 percent in the Southern California Division, a decrease of \$385,542 or 1.16 percent in the Northern California Division, and a decrease of \$18,909 or 0.08 percent in the South Lake Tahoe District.

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 Advice Letter be

⁷ In accordance with OP 5 in Resolution G-3538, Southwest Gas submitted Advice Letter No. 1085 requesting authorization to include its 2018 forecasted costs beginning January 1, 2019.



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approved December 27, 2019, which is thirty (30) calendar days after the date submitted, with rates effective January 1, 2020.

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 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 this Advice Letter is submitted in compliance with the various decisions 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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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. 1118-G

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

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ATTACHMENT A
Advice Letter No. 1118-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
133rd Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	131st Revised Sheet No. 65
134th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	132nd Revised Sheet No. 66
61st Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	60th Revised Sheet No. 67
130th Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	128th Revised Sheet No. 68
132nd Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	130th Revised Sheet No. 69
76th Revised Sheet No. 70	Statement of Rates - Rates Applicable to Northern California Service Area	75th Revised Sheet No. 70
132nd Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	130th Revised Sheet No. 71
69th Revised Sheet No. 72	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	67th Revised Sheet No. 72
15th Revised Sheet No. 73	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	14th Revised Sheet No. 73

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	\$.73989	\$.15056	\$.89045	\$.00247	\$.11166	\$.23753	\$ 1.24211		R
Tier II	\$.91116	.15056	1.06172	.00247	.11166	.23753	1.41338		R
GS-11-Residential Air-Conditioning Gas Service									
Basic Service Charge	\$ 5.00							\$ 5.00	
Cost per Therm									
Tier I	\$.73989	\$.15056	\$.89045	\$.00247	\$.11166	\$.23753	\$ 1.24211		R
Tier II	.91116	.15056	1.06172	.00247	.11166	.23753	1.41338		R
Air-Conditioning	\$.36995	.15056	.52051	.00247	.11166	.23753	.87217		R
GS-12-CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$.51429	\$.15056	\$.66485	\$.00247	\$.05199	\$.23753	\$.95684		R
Tier II	.65131	.15056	.80187	.00247	.05199	.23753	1.09386		R
GS-15-Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$ 1.13141	\$.15056	\$ 1.28197	\$.00247	\$.11166	\$.23753	\$ 1.63363		R
GS-20-Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.73989	\$.15056	\$.89045	\$.00247	\$.11166	\$.23753	\$ 1.24211		R
Tier II	.91116	.15056	1.06172	.00247	.11166	.23753	1.41338		R
GS-25-Multi-Family Master-Metered Gas Service-Submetered									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.73989	\$.15056	\$.89045	\$.00247	\$.11166	\$.23753	\$ 1.24211		R
Tier II	.91116	.15056	1.06172	.00247	.11166	.23753	1.41338		R
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	\$.44509	\$.15056	\$.59565	\$.00247	\$.05199	\$.23753	\$.88764		R
Next 500	.30766	.15056	.45822	.00247	.05199	.23753	.75021		R
Next 2,400	.19772	.15056	.34828	.00247	.05199	.23753	.64027		R
Over 3,000	.07720	.15056	.22776	.00247	.05199	.23753	.51975		R
GS-40-Core General Gas Service (non-Covered Entities)									
Basic Service Charge	\$ 11.00							\$ 11.00	
Transportation Service Charge	\$ 780.00							\$ 780.00	
Cost per Therm									
First 100	\$.65339	\$.15056	\$.80395	\$.00247	\$.11166	\$.23753	\$ 1.15561		R
Next 500	.48160	.15056	.63216	.00247	.11166	.23753	.98382		R
Next 2,400	.34417	.15056	.49473	.00247	.11166	.23753	.84639		R
Over 3,000	.19352	.15056	.34408	.00247	.11166	.23753	.69574		R

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			
<u>GS-40-Core General Gas Service (Covered Entities)</u>									
Basic Service Charge	\$11.00							\$11.00	
Transportation Service Charge	\$780.00							\$780.00	
Cost per Therm									
First 100	\$.65339	\$.09654	\$.74993	\$.00247	\$.11166	\$.23753	\$ 1.10159		R
Next 500	\$.48160	.09654	.57814	.00247	.11166	.23753	.92980		R
Next 2,400	\$.34417	.09654	.44071	.00247	.11166	.23753	.79237		R
Over 3,000	\$.19352	.09654	.29006	.00247	.11166	.23753	.64172		R
<u>GS-50-Core Natural Gas Service for Motor Vehicles</u>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$.12843	\$.15056	\$.27899	\$.00247	\$.11166	\$.23753	\$.63065		R
<u>GS-60-Core Internal Combustion Engine Gas Service</u>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$.19171	\$.15056	\$.34227	\$.00247	\$.11166	\$.23753	\$.69393		R
<u>GS-LUZ-Solar Electric Generation Gas Service</u>									
Basic Service Charge	\$50.00							\$50.00	
Cost per Therm	\$.05497	(\$.00495)	\$.05002	\$.00247			\$.05249		R
<u>GS-66-Core Small Electric Power Generation Gas Service</u>									
Basic Service Charge	\$25.00							\$25.00	
Cost per Therm	\$.27990	\$.15056	\$.43046	\$.00247		\$.23753	\$.67046		R
<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	\$.14040	\$.10716	\$.24756	\$.00247	\$.11166		\$.36169		R
<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	\$.39123	\$.15056	\$.54179	\$.00247		\$.23753	\$.78179		R
<u>TFF-Transportation Franchise Fee Surcharge Provision</u>									
TFF Surcharge per Therm								\$.00300	R
<u>TDS - Transportation Distribution System Shrinkage Charge</u>									
TDS Charge per Therm								\$.00181	R
<u>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</u>									
MHPS Surcharge per Space per Month								\$.21000	

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

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.76%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GS-10, GS-11, GS-12, GS-15, GS-20, GS-25, GS-35,	GS-40 (non- Covered Entities), GS-50, GS-60, GS-66	GS-40, (Covered Entities)	GS-70	GS-VIC	GS-LUZ
Upstream Intrastate Charges						
Storage	\$.01411		\$.01411		\$.01411	
Variable	.05493		.05493	\$.05493	.05493	
Upstream Interstate Reservation Charges	.05203		.05203		.05203	
IRRAM Surcharge	.00000		.00000	.00000		
Balancing Account Adjustments						
FCAM*	(.02843)		(.02843)	(.00568)	(.02843)	\$(.00568)
ITCAM	(.01312)		(.01312)	(.01312)	(.01312)	
GHGBA**						
Non-Covered Entities [a]	.05475			.05475	.05475	
Covered Entities [a]			.00073			.00073
NERBA	.00057		.00057	.00057	.00057	
NGLAPBA	.00987		.00987	.00987	.00987	
MHPCBA	.00584		.00584	.00584	.00584	
Total Rate Adjustment	\$.15056		\$.09654	\$.10716	\$.15056	\$(.00495)

* The FCAM surcharge includes an amount of \$.00568 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).

[a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

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	\$.77998	\$.12870	\$.90868	\$.00247	\$.06290	\$.34130	\$ 1.31535		R
Tier II	.89079	.12870	1.01949	.00247	.06290	.34130	1.42616		R
GN-12-CARE Residential Gas Service									
Basic Service Charge	\$ 4.00							\$ 4.00	
Cost per Therm									
Baseline Quantities	\$.52998	\$.12870	\$.65868	\$.00247	\$.05199	\$.34130	\$ 1.05444		R
Tier II	.61863	.12870	.74733	.00247	.05199	.34130	1.14309		R
GN-15-Secondary Residential Gas Service									
Basic Service Charge	\$ 6.00							\$ 6.00	
Cost per Therm	\$.93665	\$.12870	\$ 1.06535	\$.00247	\$.06290	\$.34130	\$ 1.47202		R
GN-20-Multi-Family Master-Metered Gas Service									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.77998	\$.12870	\$.90868	\$.00247	\$.06290	\$.34130	\$ 1.31535		R
Tier II	.89079	.12870	1.01949	.00247	.06290	.34130	1.42616		R
GN-25-Multi-Family Master-Metered Gas Service-Submetered									
Basic Service Charge	\$ 25.00							\$ 25.00	
Cost per Therm									
Baseline Quantities	\$.77998	\$.12870	\$.90868	\$.00247	\$.06290	\$.34130	\$ 1.31535		R
Tier II	.89079	.12870	1.01949	.00247	.06290	.34130	1.42616		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	\$.41908	\$.12870	\$.54778	\$.00247	\$.05199	\$.34130	\$.94354		I
Next 500	.31555	.12870	.44425	.00247	.05199	.34130	.84001		R
Next 2,400	.21477	.12870	.34347	.00247	.05199	.34130	.73923		R
Over 3,000	.06682	.12870	.19552	.00247	.05199	.34130	.59128		R
GN-40-Core General Gas Service (non-Covered Entities)									
Basic Service Charge	\$ 11.00							\$ 11.00	
Transportation Service Charge	\$ 780.00							\$ 780.00	
Cost per Therm									
First 100	\$.64135	\$.12870	\$.77005	\$.00247	\$.06290	\$.34130	\$ 1.17672		I
Next 500	.51194	.12870	.64064	.00247	.06290	.34130	1.04731		R
Next 2,400	.38596	.12870	.51466	.00247	.06290	.34130	.92133		R
Over 3,000	.20102	.12870	.32972	.00247	.06290	.34130	.73639		R

STATEMENT OF RATES
RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

	Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC PPP		Gas Cost	Effective Sales Rate	
GN-40-Core General Gas Service (Covered Entities)								
Basic Service Charge	\$ 11.00						\$ 11.00	
Transportation Service Charge	\$780.00						\$780.00	
Cost per Therm								
First 100	\$.64135	\$.07468	\$.71603	\$.00247	\$.06290	\$.34130	\$ 1.12270	I
Next 500	.51194	.07468	.58662	.00247	.06290	.34130	.99329	R
Next 2,400	.38596	.07468	.46064	.00247	.06290	.34130	.86731	R
Over 3,000	.20102	.07468	.27570	.00247	.06290	.34130	.68237	R
GN-50-Core Natural Gas Service for Motor Vehicles								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.10723	\$.12870	\$.23593	\$.00247	\$.06290	\$.34130	\$.64260	R
GN-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.30193	\$.12870	\$.43063	\$.00247	\$.06290	\$.34130	\$.83730	R
GN-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 25.00						\$ 25.00	
Cost per Therm	\$.29153	\$.12870	\$.42023	\$.00247		\$.34130	\$.76400	R
GN-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00						\$ 100.00	
Transportation Service Charge	\$ 780.00						\$ 780.00	
Cost per Therm	\$.18129	(\$.03325)	\$.14804	\$.00247	\$.06290		\$.21341	I
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm							\$.00345	
TDS – Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm							\$.00191	
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision								
MHPS Surcharge per Space per Month							\$.21000	

STATEMENT OF RATES

RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

- [1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.56%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.
- [2] A Franchise Fee differential of 2.5% will be applied to monthly billings calculated for all rate schedules for all customers within the limits of the Town of Truckee.
- [3] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GN-10, GN-12, GN-15, GN-20, GN-25, GN-35,	GN-40 (non-Covered Entities), GN-50, GN-60, GN-66	GN-40, (Covered Entities)	GN-70
Upstream Interstate Charges				
Storage	\$.02112		\$.02112	
Reservation	.19363		.19363	
IRRAM Surcharge	.00000		.00000	\$.00000
Balancing Account Adjustments				
FCAM*	(.14411)		(.14411)	(.09131)
GHGBA**				
Non-Covered Entities [a]	.05475			.05475
Covered Entities [a]			.00073	
NERBA	.00051		.00051	.00051
NGLAPBA	.00215		.00215	.00215
MHPCBA	.00065		.00065	.00065
Total Rate Adjustment	\$.12870		\$.07468	(\$.03325)

- * The FCAM surcharge includes an amount of (\$.09131) 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).
- [a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

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-10-Residential Gas Service								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$.34482	\$.22569	\$.57051	\$.00247	\$.06290	\$.34130	\$.97718	
Tier II	.43236	.22569	.65805	.00247	.06290	.34130	1.06472	
SLT-12-CARE Residential Gas Service								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$.16246	\$.22569	\$.38815	\$.00247	\$.05199	\$.34130	\$.78391	
Tier II	.23249	.22569	.45818	.00247	.05199	.34130	.85394	
SLT-15-Secondary Residential Gas Service								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$.47664	\$.22569	\$.70233	\$.00247	\$.06290	\$.34130	\$ 1.10900	
SLT-20-Multi-Family Master-Metered Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$.34482	\$.22569	\$.57051	\$.00247	\$.06290	\$.34130	\$.97718	
Tier II	.43236	.22569	.65805	.00247	.06290	.34130	1.06472	
SLT-25-Multi-Family Master-Metered Gas Service-Submetered								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm								
Baseline Quantities	\$.34482	\$.22569	\$.57051	\$.00247	\$.06290	\$.34130	\$.97718	
Tier II	.43236	.22569	.65805	.00247	.06290	.34130	1.06472	
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	\$.25309	\$.22569	\$.47878	\$.00247	\$.05199	\$.34130	\$.87454	
Next 500	.19811	.22569	.42380	.00247	.05199	.34130	.81956	
Next 2,400	.14315	.22569	.36884	.00247	.05199	.34130	.76460	
Over 3,000	.04857	.22569	.27426	.00247	.05199	.34130	.67002	
SLT-40-Core General Gas Service (non-Covered Entities)								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm								
First 100	\$.45811	\$.22569	\$.68380	\$.00247	\$.06290	\$.34130	\$ 1.09047	
Next 500	.38939	.22569	.61508	.00247	.06290	.34130	1.02175	
Next 2,400	.32068	.22569	.54637	.00247	.06290	.34130	.95304	
Over 3,000	.20246	.22569	.42815	.00247	.06290	.34130	.83482	

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-40-Core General Gas Service (Covered Entities)								
Basic Service Charge	\$11.00							\$11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm								
First 100	\$.45811	\$.17167	\$.62978	\$.00247	\$.06290	\$.34130		\$ 1.03645
Next 500	.38939	.17167	.56106	.00247	.06290	.34130		.96773
Next 2,400	.32068	.17167	.49235	.00247	.06290	.34130		.89902
Over 3,000	.20246	.17167	.37413	.00247	.06290	.34130		.78080
SLT-50-Core Natural Gas Service for Motor Vehicles								
Basic Service Charge	\$11.00							\$11.00
Cost per Therm	\$.22096	\$.22569	\$.44665	\$.00247	\$.06290	\$.34130		\$.85332
SLT-60-Core Internal Combustion Engine Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.25140	\$.22569	\$.47709	\$.00247	\$.06290	\$.34130		\$.88376
SLT-66-Core Small Electric Power Generation Gas Service								
Basic Service Charge	\$ 11.00							\$ 11.00
Cost per Therm	\$.25140	\$.22569	\$.47709	\$.00247		\$.34130		\$.82086
SLT-70-Noncore General Gas Transportation Service								
Basic Service Charge	\$ 100.00							\$ 100.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm	\$.18433	\$.06374	\$.24807	\$.00247	\$.06290			\$.31344
TFF-Transportation Franchise Fee Surcharge Provision								
TFF Surcharge per Therm								\$.00345
TDS-Transportation Distribution System Shrinkage Charge								
TDS Charge per Therm								\$.00191
MHPS-Master-Metered Mobile Home Park Safety Inspection Provision								
MHPS Surcharge per Space per Month								\$.21000

STATEMENT OF RATES

RATES APPLICABLE TO SOUTH LAKE TAHOE SERVICE AREA [1]

[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-12, SLT-15, SLT-20, SLT-25, SLT-35,	SLT-40 (non- Covered Entities), SLT-50, SLT-60, SLT-66	SLT-40, (Covered Entities)	SLT-70
Upstream Interstate Charges				
Storage	\$.02112		\$.02112	
Reservation	.19363		.19363	
IRRAM Surcharge	.00000		.00000	\$.00000
Balancing Account Adjustments				
FCAM*	(.04685)		(.04685)	.00595
GHGBA**				
Non-Covered Entities [a]	.05475			.05475
Covered Entities [a]			.00073	
NERBA	.00062		.00062	.00062
NGLAPBA	.00141		.00141	.00141
MHPCBA	.00101		.00101	.00101
Total Rate Adjustment	\$.22569		\$.17167	\$.06374

* The FCAM surcharge includes an amount of \$.00595 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).

[a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

**ADVICE LETTER NO. 1118
ATTACHMENT B**

FCAM, ITCAM and Transportation and Storage Rates

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA DIVISION
BALANCING ACCOUNT SURCHARGE RATES
TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate [1]	1.630%		1
	<u>Fixed Cost Adjustment Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [2]	\$ (1,932,455)		2
3	Total Core Volumes (Therms) [3]	86,317,855		3
4	Upstream Fixed Charges Included in Rates (Ln. 2/Ln.3)*(1+Ln.1)		<u>\$ (0.02275)</u>	4
5	Margin Balance [2]	\$ (538,219)		5
6	Total Throughput Less Special Contract Volumes (Therms) [4]	96,267,485		6
7	Margin Balance Amount Included in Rates (Ln. 5/Ln.6)*(1+Ln.1)		<u>\$ (0.00568)</u>	7
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 7)		<u><u>\$ (0.02843)</u></u>	8
	<u>Intrastate Transportation Account Mechanism (ITCAM)</u>			
9	Upstream Variable Charges [2]	\$(1,243,100)		9
10	Total Throughput Less GS-LUZ Volumes (Therms) [5]	96,267,485		10
11	ITCAM Surcharge Rate (Ln. 9/Ln. 10)*(1+Ln.1)		<u><u>\$ (0.01312)</u></u>	11

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

[2] Ending account balances at October 31, 2019.

[3] Core volumes for twelve-month forecast period ended December 31, 2020.

[4] Total throughput, excluding special contract volumes for twelve-month forecast period ended December 31, 2020.

[5] Total throughput, excluding GS-LUZ volumes for twelve-month forecast period ended December 31, 2020.

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA DIVISION
BALANCING ACCOUNT SURCHARGE RATES
TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate [1]	1.459%		1
	<u>Fixed Cost Account Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [2]	\$ (2,480,867)		2
3	Total Core Volumes (Therms) [3]	47,670,728		3
4	Upstream Fixed Charges Included in Rates (Ln. 2/Ln.3)*(1+Ln.1)		<u>\$ (0.05280)</u>	4
5	Margin Balance [2]	\$ (2,426,600)		5
6	Total Throughput (Therms) [4]	26,963,626		6
7	Margin Balance Amount Included in Rates (Ln. 5/Ln.6)*(1+Ln.1)		<u>\$ (0.09131)</u>	7
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 7)		<u><u>\$ (0.14411)</u></u>	8

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

[2] Ending account balances at October 31, 2019.

[3] Core volumes for Northern California & South Lake Tahoe Jurisdictions for twelve-month forecast period ended December 31, 2020.

[4] Northern California throughput for twelve-month forecast period ended December 31, 2020.

**SOUTHWEST GAS CORPORATION
SOUTH LAKE TAHOE DIVISION
BALANCING ACCOUNT SURCHARGE RATES
TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate [1]	1.459%		1
	<u>Fixed Cost Adjustment Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [2]	\$(2,480,867)		2
3	Total Core Volumes (Therms) [3]	47,670,728		3
4	Upstream Fixed Charges Included in Rates (Ln. 2/Ln.3)*(1+Ln.1)		<u>\$ (0.05280)</u>	4
5	Margin Balance [2]	\$ 129,791		5
6	Total Throughput (Therms) [4]	22,116,772		6
7	Margin Balance Amount Included in Rates (Ln. 5/Ln.6)*(1+Ln.1)		<u>\$ 0.00595</u>	7
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 7)		<u><u>\$ (0.04685)</u></u>	8

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

[2] Ending account balances at October 31, 2019.

[3] Core volumes for Northern California & South Lake Tahoe Jurisdictions for twelve-month forecast period ended December 31, 2020.

[4] South Lake Tahoe throughput for twelve-month forecasted period ended December 31, 2020.

SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
UPSTREAM PIPELINE CHARGES AND STORAGE COSTS
TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020

Line No.	Description (a)	Annual Volumes (b)	Rate (c)	Annual Amount (d)=(b)*(c)	Rate per Therm (e)	Line No.
1	Franchise & Uncollectible Rate [1]		1.62990%			1
<u>Upstream Interstate Reservation Charges</u>						
2	Kern River Transmission Company (Kern) (Dth/Day)	9,125,000	\$ 0.17360	\$ 1,584,100		2
3	G-BTS2 Southern California Gas Company (SoCal) Backbone Transportation Service (Dth/Day)	9,125,000	\$ 0.27451	\$ 2,504,904		3
4	GT-SWGX SoCal Pisgah Meter Station (Months)	12	\$ 27,505	\$ 330,060		4
5	Total Annual Reservation Cost			<u>\$ 4,419,064</u>		5
6	Total Core Sales Volumes (Therms) [2]	86,317,855				6
7	Reservation Rate (Ln.5/Ln.6)*(1+Ln.1)				<u>\$ 0.05203</u>	7
<u>Upstream Intrastate Storage Charges</u>						
8	G-TBS SoCal Transaction Based Storage Service - Inventory Storage Reservation Charge (Dth/Day)	617,836,230	\$ 0.00194	\$ 1,198,602		8
9	Total Annual Storage Cost			<u>\$ 1,198,602</u>		9
10	Total Core Throughput (Therms) [3]	86,317,855				10
11	Storage Rate (Ln.9/Ln.10)*(1+Ln.1)				<u>\$ 0.01411</u>	11
<u>Upstream Intrastate Variable Charges</u>						
12	GT-TLS (GT-9CA) SoCal Intrastate Transportation Service (Therms)	97,004,721	\$ 0.02321	\$ 2,251,480		12
13	GT-SWGX SoCal Exchange Wholesale Natural Gas Service (Therms)	24,251,180	\$ 0.11994	\$ 2,908,687		13
14	Kern Transmission Service (Therms)	98,497,354	\$ 0.00044	\$ 43,339		14
15	Total Annual Variable Cost			<u>\$ 5,203,505</u>		15
16	Total Throughput (Therms) [4]	96,267,485				16
17	Variable Rate (Ln.15/Ln.16)*(1+Ln.1)				<u>\$ 0.05493</u>	17

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

[2] Core sales volumes for twelve-month forecast period ended December 31, 2020.

[3] Total core throughput for twelve-month forecast period ended December 31, 2020.

[4] Total throughput, less exempt volumes for twelve-month forecast period ended December 31, 2020.

SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA RATE JURISDICTION AND SOUTH LAKE TAHOE RATE JURISDICTION
UPSTREAM PIPELINE AND STORAGE COSTS
TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020

Line No.	Description (a)	Annual Volumes (b)	Rate (c)	Annual Amount (d)=(b)*(c)	Rate per Therm (e)	Line No.
1	Franchise & Uncollectible Rate [1]		1.45890%			1
2	Total Core Throughput (Therms) [2]	47,611,468				2
<u>Upstream Interstate Reservation Charges</u>						
3	Northwest Pipeline	2,284,920	\$ 1.18725	\$ 2,712,780		3
4	Paiute Pipeline FT-1 (F47, F50, F51)	4,482,560	\$ 1.02286	4,585,031		4
5	Paiute Pipeline 2010 Incremental Expansion (F45)	198,840	\$ 1.74114	346,208		5
6	Tuscarora Pipeline	1,674,120	\$ 0.77532	1,297,979		6
7	Ruby Pipeline	950,000	\$ 0.15208	144,476		7
8	Total Reservation Cost			<u>\$ 9,086,474</u>		8
9	Reservation Rate (Ln.8/Ln.2)*(1+Ln.1)				<u>\$ 0.19363</u>	9
<u>Upstream Interstate Storage Charges</u>						
Paiute Pipeline Company						
LGS-1 Liquefied Gas Storage Service						
10	Storage Charge	1,504,860	\$ 0.02748	\$ 496,243		10
11	Delivery Charge	114,000	\$ 0.36275	496,242		11
12	Total Storage Cost			<u>\$ 992,485</u>		12
13	Total Core Throughput (Therms) [3]	47,670,728				13
14	Total Storage Rate (Ln.12/Ln.2)*(1+Ln.1)				<u>\$ 0.02112</u>	14

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

[2] Northern California and South Lake Tahoe core sales volumes for twelve-month forecast period ended December 31, 2020.

[3] Northern California and South Lake Tahoe core volumes, including Core Aggregators, for twelve-month forecast period ended December 31, 2020.

**ADVICE LETTER NO. 1118
ATTACHMENT C**

GHG Costs, Allowance Proceeds and California Climate Credit
(D.15-10-032 Attachment A Tables A – E)

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118
D.15-10-032 - Appendix A
Table A: Forecast Revenue Requirement

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Gross Throughput (MMcf)						
2	Throughput to Covered Entities (MMcf)						
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	13,952		14,071		14,595	
4	Lost and Unaccounted for Gas ¹ (MMcf)	98		99		104	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)	14,050		14,170		14,698	
6	Emissions Conversion Factor (MTCO ₂ e/MMcf)	54.64437		54.64437		54.64437	
7	Compliance Obligation for End Users and LUAF (MTCO ₂ e) (Line 5 * Line 6)	767,749		774,289		803,169	
8	Compliance Obligation for Company Facilities (MTCO ₂ e)	0		0		0	
9	Gross Compliance Obligation (MTCO₂e) (Line 7 + Line 8)	767,749		774,289		803,169	
10	Directly Allocated Allowances	(685,378)		(670,714)		(656,821)	
11	Percentage Consigned to Auction	40%		45%		50%	
12	Consigned Allowances (Line 10 * Line 11)	274,151		301,821		301,821	
13	Net Compliance Obligation (MTCO₂e) (Line 9 + Line 10+ Line 12)	356,522		405,396		448,170	
14	Proxy GHG Allowance Price ^{2,3}	\$ 15.08	\$ 14.73	\$ 15.66	\$	\$ 18.04	
15	Compliance Instrument Cost	\$ 5,376,350	\$ 4,066,475	\$ 6,348,501	\$	\$ 8,084,979	
16	Interest	\$	\$ 162,822				
17	Franchise Fees & Uncollectibles ⁴	\$ 87,634	\$ 66,284	\$ 103,481	\$	\$ 131,785	
18	Revenue Requirement (Line 15 + Line 16 + Line 17)	\$ 5,463,984	\$ 4,295,580	\$ 6,451,981	\$	\$ 8,216,765	
19	Previous Year's Cost Balancing Subaccount Balance ⁵	\$	\$ (25,872)				
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 5,463,984	\$ 4,269,708	\$ 6,451,981	\$	\$ 8,216,765	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00061	\$	\$ 0.00063	\$	\$ 0.00073	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.03809	\$	\$ 0.04460	\$	\$ 0.05475	

Footnotes

- 1 Lost and unaccounted for gas percentages were authorized in Southwest Gas' last General Rate Case (GRC) Decision 14-06-028
- 2 The forecasted proxy price is the November 6, 2019, futures settlement price for vintage year 2020 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated November 6, 2019, Futures Daily Market Report for Physical Environmental, "CAY-California Carbon Allowance Future-Vintage 2020." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.
- 3 The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2019 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAW-California Carbon Allowance Future-Vintage 2018 - California Carbon Allowance Vintage 2018" and the "CAX-California Carbon Allowance Future-Vintage 2019 - California Carbon Allowance Vintage 2019." This methodology is consistent with Southwest Gas' methodology
- 4 The F&U Rate was authorized in Southwest Gas' last General Rate Case (GRC) Decision 14-06-028
- 5 Previous Year's Cost Balancing Subaccount Balance of \$602,115 (due to netting 2015-2017 costs, revenues and admin expense) less recovery revenues through September 30, 2018 of \$(627,987).
- 6 Calculation of GHGBA Non-Covered and Covered Entity Rates Effective January 1, 2019:

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118
D.15-10-032 - Appendix A
Table C: GHG Allowance Proceeds

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT) ^{1,2,3}	\$ 15.08	\$	15.66	\$	18.04	\$ 18.04
2	Directly Allocated Allowances	685,378		670,714		656,821	
3	Percentage Consigned to Auction	40%		45%		50%	
4	Consigned Allowances	274,151		301,821		328,410	
5	Allowance Proceeds	\$ (4,134,197)	\$ (4,049,210)	\$ (4,726,522)	\$	\$ (5,924,521)	
6	Previous Year's Revenue Balancing Subaccount Balance	\$	\$ 602,049				
7	Interest	\$	\$ 45,549				
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (4,134,197)	\$ (3,401,612)	\$ (4,726,522)	\$ -	\$ (5,924,521)	\$ -
9	Outreach and Admin Expenses (\$) (from Table D)	\$ 11,220	\$ 3,527	\$ 64,260	\$	\$ 1,530	\$ -
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9)	\$ (4,122,977)	\$ (3,398,085)	\$ (4,662,262)	\$ -	\$ (5,922,991)	\$ -
11	Number of Residential Households	184,203		187,558		192,481	
12	Per Household California Climate Credit (\$) (Line 10 / Line 11)	\$ 22.38	\$	\$ 24.86	\$	\$ 30.77	\$

Footnotes

- The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2018 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAW-California Carbon Allowance Future-Vintage 2018 - California Carbon Allowance Vintage 2018." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.
- The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2018 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAX-California Carbon Allowance Future-Vintage 2019 - California Carbon Allowance Vintage 2019." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.
- The forecasted proxy price is the November 6, 2019, futures settlement price for vintage year 2020 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated November 6, 2019, Futures Daily Market Report for Physical Environmental, "CAY-California Carbon Allowance Future-Vintage 2020." This methodology is consistent with Southwest Gas' methodology for forecasting gas supply prices.

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118
D.15-10-032 - Appendix A

Table D: GHG Outreach and Administrative Expenses

Line	Description	2018		2019		2020	
		Forecast Recorded	Forecast Recorded	Forecast Recorded	Forecast Recorded	Forecast Recorded	Forecast Recorded
1	Outreach Expenses						
2	Detail of Outreach Activity (\$)						
3	Website Page	\$ 2,000					
4	E-Blasts	\$ 5,000	\$ 2,037	\$ 5,000	\$ 1,155	\$ 1,500	
5	Bill Insert	\$ 3,000		\$ 3,000			
6	On-Bill Message	\$ -					
7	On-Hold Phone Message	\$ 1,000					
8	Post Phone Survey	\$ -		\$ 55,000			
9	Subtotal Outreach (\$)	\$ 11,000	\$ 2,037	\$ 63,000	\$ 1,155	\$ 1,500	\$ -
10	Administrative Expenses						
11	Detail of Administrative Activity (\$)						
12	Programming	\$ -					
13	Testing	\$ -					
14	Subtotal Administrative (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Subtotal Outreach and Administrative (\$)	\$ 11,000	\$ 2,037	\$ 63,000	\$ 1,155	\$ 1,500	\$ -
16	Interest (\$)	\$ 220	\$ 12	\$ 1,260	\$ 23	\$ 30	\$ -
17	Total (\$)	\$ 11,220	\$ 2,049	\$ 64,260	\$ 1,178	\$ 1,530	\$ -

SOUTHWEST GAS CORPORATION
Advice Letter No. 1118
D.15-10-032 - Appendix A

Table E: Compliance Obligation Over Time

	2015	2016 ¹	2017	2018	2019	2020
Natural Gas Fuel Supplier Compliance Obligation (MTCO ₂ e)	668,077	695,026	718,067	725,918		
Company Facility Compliance Obligation (MTCO ₂ e)	0	0	0	0	0	0

¹In Advice Letter No. 1072, Southwest Gas' Compliance Obligation was inadvertently noted as 695,462.

**ADVICE LETTER NO. 1118
ATTACHMENT D**

Natural Gas Leak Abatement Program Balancing Account (NGLAPBA)

SOUTHWEST GAS CORPORATION
NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION
NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA)
2018 AND 2019 INCREMENTAL FORECASTED COSTS
REVENUE REQUIREMENT AND RATES TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020
SOUTHERN CALIFORNIA SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 Forecasted Costs [1] (d)	2019 Forecasted Costs (e)	Total Rate Effective January 1, 2020 (d) + (e)	Line No.
1	Stationary Methane Detectors (Capital)	18		\$ 150,000	300,000	450,000	1
2	Stationary Methane Detectors (O&M)	18		363,590	487,366	850,956	2
3	Pipe Fitting Specifications (O&M)	22		13,216	0	13,216	3
4	Total O&M Dollars			\$ 526,806	787,366	1,314,172	4
5	Pre-Tax Return			10.80%	10.80%	10.80%	5
6	Financing Cost			\$ 56,901	85,045	141,946	6
7	Depreciation [2]		2.86%	\$ 4,290	8,580	12,870	7
8	Property Tax [3]		1.20%	\$ 1,795	3,590	5,385	8
9	Revenue Requirement Before Franchise			\$ 62,986	97,215	160,201	9
10	Franchise Rate		1.15%	\$ 725	1,119	1,843	10
11	Revenue Requirement After Franchise			\$ 63,711	98,333	162,044	11
12	Applicable Volumes (therms) [4]			96,267,485	96,267,485	96,267,485	12
13	NGLAPBA Base Rate (Line 11 / Line 12)			\$ 0.00066	\$ 0.00102	\$ 0.00168	13
14	NGLAPBA Account Balance at September 30, 2019					\$ 788,163	14
15	NGLAPBA Amortization Rate (Line 14 / Line 12)					\$ 0.00819	15
16	NGLAPBA Rate Applicable to all Rate Schedules Except GS-LUZ					\$ 0.00987	16

[1] Filed in Advice Letter No. 1085

[2] Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

[3] Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

[4] Total throughput, less exempt volumes for twelve-month forecast period ended December 31, 2020.

SOUTHWEST GAS CORPORATION
NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION
NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA)
2018 AND 2019 INCREMENTAL FORECASTED COSTS
REVENUE REQUIREMENT AND RATES TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020
NORTHERN CALIFORNIA SERVICE AREA

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 Forecasted Costs [1] (d)	2019 Forecasted Costs (e)	Total Rate Effective January 1, 2020 (d) + (e)	Line No.
1	Stationary Methane Detectors	18		\$ 109,709	147,057	256,767	1
2	Pipe Fitting Specifications (O&M)	22		3,988	0	3,988	2
3	Total Dollars			\$ 113,697	147,057	260,754	3
4	Pre-Tax Return			12.14%	12.14%	12.14%	4
5	Financing Cost			\$ 13,802	17,852	31,655	5
6	Depreciation [2]		2.97%	\$ 3,258	4,368	7,744	6
7	Property Tax [3]		1.33%	\$ 1,458	1,954	3,413	7
8	Revenue Requirement Before Franchise			\$ 18,519	24,174	42,812	8
9	Franchise Rate		1.29%	\$ 239	312	553	9
10	Revenue Requirement After Franchise			\$ 18,758	24,487	43,365	10
11	Applicable Volumes (therms) [4]			26,963,626	26,963,626	26,963,626	11
12	NGLAPBA Base Rate (Line 10 / Line 11)			\$ 0.00070	\$ 0.00091	\$ 0.00161	12
13	NGLAPBA Account Balance at September 30, 2019					\$ 14,508	13
14	NGLAPBA Amortization Rate (Line 13 / Line 12)					\$ 0.00054	14
15	NGLAPBA Rate Applicable to all Rate Schedules					\$ 0.00215	15

[1] Filed in Advice Letter No. 1085

[2] Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

[3] Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.

[4] Total throughput, less exempt volumes for twelve-month forecast period ended December 31, 2020.

**SOUTHWEST GAS CORPORATION
NATURAL GAS LEAK ABATEMENT PROGRAM BEST PRACTICES IMPLEMENTATION
NATURAL GAS LEAK ABATEMENT PROGRAM BALANCING ACCOUNT (NGLAPBA)
2018 AND 2019 INCREMENTAL FORECASTED COSTS
REVENUE REQUIREMENT AND RATES TWELVE-MONTH FORECAST PERIOD ENDING DECEMBER 31, 2020
SOUTH LAKE TAHOE SERVICE AREA**

Line No.	Description (a)	Best Practice (b)	Percent (c)	2018 Forecasted Costs [1] (d)	2019 Forecasted Costs (e)	Total Rate Effective January 1, 2020 (d) + (e)	Line No.
1	Stationary Methane Detectors (Capital)	18		\$ 0	0	0	1
2	Stationary Methane Detectors (O&M)	18		90,700	121,577	212,277	2
3	Pipe Fitting Specifications (O&M)	22		3,297	0	3,297	
4	Total Dollars			\$ 93,997	121,577	215,574	4
5	Pre-Tax Return			12.14%	12.14%	12.14%	5
6	Financing Cost			\$ 11,411	14,759	26,170	6
7	Depreciation [2]		2.97%	\$ 0	0	0	7
8	Property Tax [3]		1.40%	\$ 0	0	0	8
9	Revenue Requirement Before Franchise			\$ 11,411	14,759	26,170	9
10	Franchise Rate		1.29%	\$ 147	191	338	10
11	Revenue Requirement After Franchise			\$ 11,558	14,950	26,508	11
12	Applicable Volumes (therms)			22,116,772	22,116,772	22,116,772	12
13	NGLAPBA Base Rate (Line 11 / Line 12)			\$ 0.00052	\$ 0.00068	\$ 0.00120	13
14	NGLAPBA Account Balance at September 30, 2019					\$ 4,707	14
15	NGLAPBA Amortization Rate (Line 14 / Line 12)					\$ 0.00021	15
16	NGLAPBA Rate Applicable to all Rate Schedules Except GS-LUZ					\$ 0.00141	16

[1] Filed in Advice Letter No. 1085

[2] Applicable only to Capital expenses. Depreciation is not applied to O & M expenses.

[3] Applicable only to Capital expenses. Property Tax is not applied to O & M expenses.



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:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	