



SOUTHWEST GAS CORPORATION

February 3, 2021

via Electronic Mail

Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

RE: Southwest Gas Corporation
Advice Letter No. 1121-G-C

Energy Division:

On January 25, 2021, Southwest Gas Corporation (Southwest Gas) filed supplemental Tier 1 Advice Letter No. 1121-G-C to update its Energy Savings Assistance (ESA) Program Bridge Funding Plan for January 1, 2021 – June 30, 2021 pursuant to Ordering Paragraph (OP) 5 in Decision (D.) 19-11-005.

Pursuant to a discussion with the Energy Division on January 28, 2021, Southwest Gas respectfully requests the withdrawal of Advice Letter No. 1121-G-C. Southwest Gas will instead submit a new Tier 2 AL addressing updates to its ESA Program Bridge Funding Plan.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: Karey D. Bohannon



SOUTHWEST GAS CORPORATION

January 25, 2021

Advice 1121-G-C
(U 905 G)

Public Utilities Commission of the State of California

Subject: Energy Savings Assistance Program Bridge Funding Plan for January 1, 2021 – June 30, 2021

Purpose

Southwest Gas Corporation (Southwest Gas or Company) hereby submits this supplemental Advice Letter to update Southwest Gas' Energy Savings Assistance (ESA) Program Bridge Funding Plan for January 1, 2021 – June 30, 2021 pursuant to Ordering Paragraph (OP) 5 in Decision (D.) 19-11-005. This supplemental Advice Letter replaces in its entirety supplemental Advice Letter No. 1121-G-B submitted on March 13, 2020. There are no tariff sheets associated with this Advice Letter submission.

Background

The Commission issued D.19-11-005 to provide guidance to the six Small and Multi-Jurisdictional Utilities (SMJUs) for their 2021-2026 California Alternate Rates for Energy (CARE) and ESA Programs. D.19-11-005 also adopts a plan to provide bridge funding between the current 2018-2020 program years and post-2020. D.19-11-005 states:

...the Commission authorizes bridge funding to cover ESA program activity for January 1, 2021- June 30, 2021 if we have not voted to approve the 2021 and beyond programs and budget applications by November 16, 2020 (45 days prior to end of current approved budget cycle). The Commission hereby authorizes a bridge-funding amount up to the authorized 2020 budget levels. The SMJUs are to continue the previously approved ESA activities and treat the number of homes the bridge budget will accommodate. In the event bridge funding is needed, the SMJUs must set household treatment goals for the bridge period. The SMJUs are accountable to meet an interim progress milestone, where the SMJUs must treat about half of the bridge treatment goal for the period January 1, 2021-March 31, 2021 and retain enough budget to treat the remaining homes for the bridge period goal by June 30, 2021. Other ESA activities beyond treatments that are not completed at the end of 2020, yet still have funds from the current cycle, should continue into PY 2021 but not result in



additional budget allocation through bridge funding for the activity. If the Commission hasn't voted on the applications by May 16, 2021, and the SMJUs have met the interim progress milestone, an extension of ESA bridge funding for six months through the end of 2021, at the same budget level and retreatment goal as for the first six-month bridge, is authorized.¹

Additionally, OP 5 in D.19-11-005 directs the SMJUs to file a Tier 1 Advice Letter forty-five (45) days after issuance of the decision, with calculations of their ESA Program bridge funding amount, source for bridge funds, and treatment goals for the January 1, 2021 – June 30, 2021 bridge period.²

On December 18, 2019, Southwest Gas submitted its Tier 1 Advice Letter in compliance with OP 5. At the Energy Division's request, Southwest Gas submitted supplemental Advice Letter No. 1121-G-A on February 28, 2020 replacing the originally submitted Advice Letter in its entirety. On March 13, 2020, Southwest Gas submitted supplemental Advice Letter No. 1121-G-B replacing previously submitted Advice Letters on this matter.

In accordance with D.19-11-005, Southwest Gas developed an ESA Bridge Funding Plan setting forth the program bridge funding amount, source for bridge funds, and treatment goals for the January 1, 2021 – June 30, 2021 bridge period. In supplemental Advice Letter No. 1121-G-A, Southwest Gas updated its original estimated budget from \$2,425,000 to \$2,700,000 and its household treatment goal from 1,000 homes to 900 homes for the period covering January 1, 2021 – June 30, 2021. Southwest Gas updated its original estimated budget and household treatment goal at the request of the Commission to ensure adequate funding and an obtainable household treatment goal during the bridge period. In supplemental Advice Letter No. 1121-G-B, Southwest Gas updated its estimated new revenue required from \$0 to \$1,400,000 for the period covering January 1, 2021 – June 30, 2021. Southwest Gas updated the estimated new revenue required due to expectations of strong 2020 ESA Program production prior to knowledge of the emerging COVID-19 pandemic.

Revised January 1, 2021 – June 30, 2021 Energy Savings Assistance Bridge Funding Plan

Southwest Gas treated over 2,100 customers in 2019 and anticipates a similar achievement for 2020. Southwest Gas proposes an updated household treatment goal from 900 homes to 1,150 homes for the period covering January 1, 2021 – June 30, 2021. Even with the uncertainties of the COVID-19 pandemic, Southwest Gas continued to experience strong customer demand for its ESA Program in 2020. The increase will serve both to support customers struggling with pandemic-related impacts and allow contractors to treat households at current levels.

¹ D.19-11-005 at pgs. 8-9.

² *Id.* at pg. 11.



Additionally, in order to serve low income customers with all ESA Program feasible measures, Southwest Gas proposes an increase in the average cost per home treated from \$3,000 to \$3,152 per home for the period covering January 1, 2021 – June 30, 2021. This proposed increase mirrors the average cost per home treated in 2020. The trend in higher cost per home is due to the increase in the number of older single-family owner-occupied homes treated. While these homes offer deeper savings opportunities, the higher cost of installing all feasible measures results in a higher average cost per home treated. For example, the number of water heaters qualifying for replacement has increased significantly. Southwest Gas proposes an updated estimated budget from \$2,700,000 to \$3,625,000 to account for the updated homes treated goal and average cost per home treated.

Southwest Gas proposes a decrease in estimated new revenue required for January 1, 2021 – June 30, 2020 from \$1,400,000 to \$985,000. The revised estimated new revenue required for the bridge funding period is a result of revised estimated carry-over and updated budget. The following table illustrates Southwest Gas' updated proposed bridge funding plan for the period January 1, 2021 – June 30, 2021:

Southwest Gas' Bridge Funding January 1, 2021 – June 30, 2021

| | Budget | Homes Treated Goal | Average Cost Per Home Treated | Estimated Carry-Over (2018-2020) | Estimated New Revenue Required For This Period |
|--|---------------|---------------------------|--------------------------------------|---|---|
| January 1, 2021 - June 30, 2021 | \$3,625,000 | 1,150 | \$3,152 | \$2,640,000 | \$985,000 |

D.19-11-005 established an interim progress milestone, requiring the SMJUs to meet or exceed half of the bridge treatment goal set forth in the ESA Program Bridge Funding Plan Advice Letter for the period January 1, 2021 – March 31, 2021 in order to request and receive funding for the second six month bridge period should one be necessary.³ The COVID-19 pandemic poses many uncertainties, and meeting this goal may not be possible despite best efforts of Southwest Gas or contractors if the pandemic worsens, contractors are not allowed to work in the field, or if customers are reluctant to let contractors into their homes. If the COVID-19 pandemic results in any of these impacts, Southwest Gas respectfully requests that the Commission waive any penalties for not meeting the increased interim 575 home milestone.

³ *Id.* at pgs. 8-9.



Advice 1121-G-C
Page 4
January 25, 2021

If the Commission has not approved Southwest Gas' 2021-2026 ESA and CARE Program Budget Applications by May 16, 2021, Southwest Gas will require additional ESA Program funding for the remainder of 2021 (July – December).

Effective Date

Pursuant to OP 5 in D.19-11-005, this Advice Letter is classified as Tier 1 (Effective Pending Disposition) and subject to Energy Division disposition pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests this Advice Letter be made effective on December 18, 2019, which is the originally requested effective date for Advice Letter No. 1121.

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

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 OP 5 in D.19-11-005.



Advice 1121-G-C
Page 5
January 25, 2021

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

Kasey D. Bohannon
Manager/Regulation & Energy Efficiency
Southwest Gas Corporation
P.O. Box 52075
Phoenix, AZ 85020-3982
Telephone: 602-395-4047
Email: kasey.bohannon@swgas.com

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Kasey D. Bohannon

Distribution List

Advice Letter No. 1121-G-C

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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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 | |