

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



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

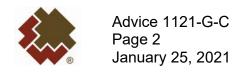
Purpose

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.

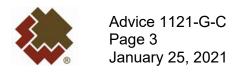
In accordance with D.19-11-005, Southwest Gas developed an ESA Bridge Funding Plan setting forth the program bridge funding amount, source for bridge funds, and treatment goals for the January 1, 2021 – June 30, 2021 bridge period. In supplemental Advice Letter No. 1121-G-A, Southwest Gas updated its 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:

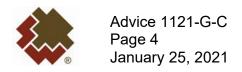
Southwest Gas' Bridge Funding January 1, 2021 - June 30, 2021

	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.

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³ *Id.* at pgs. 8-9.



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

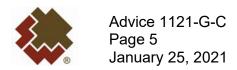
Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above, and mailed, emailed or faxed to:

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.



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

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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California Public Utilities Commission

ADVICE LETTER UMMARY



LIVEROTOTIETT						
MUST BE COMPLETED BY UT	ILITY (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 WATER = Water	(Date Submitted / Received Stamp by CPUC)					
Advice Letter (AL) #:	Tier Designation:					
Subject of AL:						
Keywords (choose from CPUC listing):						
AL Type: Monthly Quarterly Annu-						
ii At submined in compliance with a Commissi	on order, indicate relevant Decision/Resolution #:					
Does AL replace a withdrawn or rejected AL? I	f 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 proposed ^{1:}						
Pending advice letters that revise the same tariff sheets:						

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	eements Disconnect Service	
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
Curtailable 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	