

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Southwest Gas Corporation
GAS (Corp ID 905)
Status of Advice Letter 1219G
As of June 28, 2022

Subject: Information Advice Letter on Southwest Gas Energy Savings Assistance Program Solicitation and Contracting Practices pursuant to D.21-10-023

Division Assigned: Energy

Date Filed: 06-01-2022

Date to Calendar: 06-08-2022

Authorizing Documents: D2110023

Disposition:	Accepted
Effective Date:	06-01-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Valerie J. Ontiveroz

(702) 876-7323

valerie.ontiveroz@swgas.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



SOUTHWEST GAS CORPORATION

June 1, 2022

Advice Letter No. 1219-G

(U 905 G)

Public Utilities Commission of the State of California

Subject: Energy Savings Assistance Program Contractor and Solicitation Process

The purpose of this Advice Letter is for Southwest Gas Corporation (Southwest Gas) to provide information regarding its Energy Savings Assistance (ESA) program solicitation and contracting practices pursuant to Ordering Paragraph (OP) 25 in Decision (D.) 21-10-023. There are no tariff sheets being modified because of this submission.

Background

On October 21, 2021, the California Public Utilities Commission (Commission) issued D.21-10-023, which approved the Small and Multijurisdictional Utilities' (SMJU)¹ California Alternate Rates for Energy and ESA program applications for program years 2021-2026. OP 25 in D.21-10-023 states:

Alpine Natural Gas Operating Company No. 1, LLC, Golden State Water Company on behalf of Bear Valley Electric Service Division, Liberty Utilities LLC, PacifiCorp, and Southwest Gas Corporation must each submit an informational Tier 1 advice letter by June 1, 2022, disclosing discussion of its solicitation and contracting practices.

D.21-10-023 further states that the Tier 1 Advice Letter shall include:

- When the ESA contractor was selected and what selection process was used (e.g., open competitive bidding, bids from a limited or invited pool).
- What efforts were taken to identify potential qualified entities to perform the work and build awareness of the opportunity to bid for the ESA contract.
- What practices were used to ensure a fair, unbiased, transparent, and rigorous selection process, from the request for offer/proposal design, through bidder evaluation, to contract negotiation.
- What amendments, if any, were made to existing contracts to ensure compliance with this decision.

¹ The SMJUs include Southwest Gas, Liberty Utilities (Calpeco Electric) LLC, Bear Valley Electric Service, Inc., PacifiCorp, d/b/a Pacific Power, Alpine Natural Gas Company No. 1, LLC, and West Coast Gas Company.



- Identify all contract terms and conditions that can be standardized across all contracts and/or all the SMJUs, such as those in D.18-01-004 Attachment A Standard Contract Terms for finalized Energy Savings Assistance program contracts.²

Pursuant to D.21-10-023, Southwest Gas provides information on its solicitation and contracting practices, including contractor selection and amendments for the 2022-2026 ESA program cycle.

Southwest Gas Solicitation and Contracting Practices

Date of ESA Contractor Selection, Selection Process Used to Identify Qualified Entities Fairly and Unbiasedly

Southwest Gas currently contracts with two entities for its ESA program, Richard Heath & Associates (RHA) and Staples. Southwest Gas contracted with RHA and Staples in 2019 and 2014, respectively, using the following selection processes:

- RHA – A Request for Information (RFI) was issued, which included seven potential companies. The RFI included specific questions designed to determine capabilities, capacity and experience managing and administering the ESA program. Of the four companies that provided responses, RHA was determined to be the only viable candidate to administer Southwest Gas' ESA program. Although RHA was the only viable candidate, Southwest Gas proceeded as if all contractors were included in the Request for Proposals (RFP) to ensure best costs were provided.
- Staples – A competitive bid process was used, wherein three suppliers were previously vetted based on prior experience and then invited to submit their respective bids. The contract was awarded based on the lowest bid received.

Southwest Gas' utilization of its standard competitive process is a fair, unbiased, and transparent contracting practice given that all potential contractors are provided the same documentation and contractor responses to RFPs are due by specific date. The bids were then opened and evaluated by the requesting department before being awarded.

Amendments Made to Existing ESA Contracts in Accordance with D.21-10-023

Pursuant to Ordering Paragraph 39 in D.21-10-023, Southwest Gas amended existing agreements to include the standardized background check provision. Specifically, Southwest Gas prepared and delivered to RHA and Staples an amendment with the standardized background language. Both entities agreed to and executed the amendment to their respective agreements. Additionally, other conforming contract amendments were made with respect to annual budgets and reporting.

ESA Contract Terms and Conditions That May Be Standardized Across All SMJU

² D.21-10-023 at p. 81.



The SMJUs met on several occasions regarding the Standard Contract Terms and Conditions adopted for the large investor-owned utilities (included as Attachment A to D.18-10-008³). Through this collaboration, the SMJUs determined that many of the Attachment A Terms and Conditions may be standardized across the SMJUs with some required modification. These are:

Eligibility:

1. Licensing
2. Performance Assurance; Bonding
3. Insurance
4. Good Standing

Safety Requirements:

1. Safety
2. Background Checks
3. Fitness for Duty

Dispute Resolution Process:

1. Disputes
2. Governing Law
3. Venue

Termination Process:

1. Event of Default
2. Termination for Cause
3. Termination/Modification by CPUC Order
4. Conclusion of Work

Pending further direction by the Commission, the SMJUs will work to develop standardized terms and conditions.

This submission will not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Effective Date

Pursuant to Energy Division direction, Southwest Gas believes this Advice Letter should be classified as Tier 1 (effective pending Energy Division disposition) pursuant to General Order (GO) 96-B and per the direction of Energy Division Staff. Southwest Gas respectfully requests that this Advice Letter be accepted effective June 1, 2022, which is the date submitted.

³ On May 4, 2022, Energy Division Staff confirmed that D.18-01-004 referenced in D.21-10-023 was incorrect and should have been D.18-10-008.



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June 1, 2022

Protest

Anyone may protest this Advice Letter to the Commission's Energy Division. The protest must state the grounds upon which it is based with specificity and must be sent no later than 20 days after the date of this Advice Letter submission. Protests are to be submitted electronically to the Commission's Energy Division at:

Email: edtariffunit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Advice Letter should be sent electronically to:

Ms. Valerie J. Ontiveroz
Regulatory Manager/California
Email: valerie.ontiveroz@swgas.com
regserve@swgas.com

Notice

Southwest Gas believes it is exempt from the notice requirements set forth in General Rule 4.2 of GO 96-B, since this Advice Letter is being submitted pursuant to OP 25 in D.21-10-023 and will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule that are currently in effect.

Service

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter to the utilities and interested parties shown on the attached distribution list and the service list in A.20-03-014 et al.

Respectfully submitted,
SOUTHWEST GAS CORPORATION

By: 
Valerie J. Ontiveroz

Attachments

Distribution List

Advice Letter No. 1219-G

In conformance with GO 96-B, General Rule 4.3

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

Matt Baker, Director
Public Advocates Office
Matt.Baker@cpuc.ca.gov

Pacific Gas & Electric Company
PGETariffs@pge.com

Southern California Gas Company
GLenart@socalgas.com
Tariffs@socalgas.com

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

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

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



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) #: 1219

Tier Designation: Tier 1

Subject of AL: Information Advice Letter on Southwest Gas Energy Savings Assistance Program Solicitation and Contracting Practices pursuant to D.21-10-023

Keywords (choose from CPUC listing): Procurement

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.21-10-023

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: Not applicable.

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: Southwest Gas Transportation Customer Names. 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: 6/1/22

No. of tariff sheets: Not applicable.

Estimated system annual revenue effect (%): Not applicable.

Estimated system average rate effect (%): Not applicable.

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: Ms. Valerie J. Ontiveroz
Title: Regulatory Manager/California
Utility Name: Southwest Gas Corporation
Address: P. O. Box 98510
City: Las Vegas State: Nevada
Telephone (xxx) xxx-xxxx: 702-876-7323
Facsimile (xxx) xxx-xxxx: 702-364-3446
Email: valerie.ontiveroz@swgas.com

Name:
Title:
Utility Name:
Address:
City: State: Nevada
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	