

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



Southwest Gas Corporation
GAS (Corp ID 905)
Status of Advice Letter 1264G
As of November 17, 2023

Subject: Establishment of Infrastructure Investment and Jobs Act Memorandum Account (IJAMA)
Pursuant to Resolution E-5254

Division Assigned: Energy

Date Filed: 06-09-2023

Date to Calendar: 10-27-2023

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	04-06-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

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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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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 9, 2023

Advice Letter No. 1264

Public Utilities Commission of the State of California

Subject: Establishment of Infrastructure Investment and Jobs Act Memorandum Account (IIJAMA) pursuant to Resolution E-5254.

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

Purpose

The purpose of this Advice Letter is to revise the Preliminary Statement of Southwest Gas' Tariff to establish the IIJAMA pursuant to Ordering Paragraphs (OP) 1 through 4 in Resolution E-5254 (Resolution).

Background

The 2021 Infrastructure Investment and Jobs Act (IIJA) appropriated more than \$62 billion to the U.S. Department of Energy (DOE) to create and fund 60 new programs that align with the Commission's goals of improving energy infrastructure to support zero carbon emissions, grid reliability, safety, and affordability for electric and gas customers. Commission President Alice Busching Reynolds sought information from California's investor-owned utilities (IOUs) through two separate letters sent to the IOUs on January 24, 2022, and November 28, 2022, on how they plan to seek and utilize matching funds of non-ratepayer funding.¹

Also in 2022, Congress passed the Inflation Reduction Act (IRA) and the Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS). Unlike the IIJA, IRA consists of tax rebates and consumer credits or incentives, and CHIPS invests in research and development to promote commercialization of new clean energy technologies faster and at cheaper price points. Yet, like the IIJA, specific programs and details of the IRA and CHIPS require matching funds (although not necessarily from IOU ratepayers) while others are still under development, allowing for grant or other utility-focused opportunities to be announced at a future time.²

On April 10, 2023, the Commission issued the Resolution adopting a process for the electric and gas IOUs to request cost recovery for match funding and tax liabilities pursuant to any funds received from IIJA's Clean Energy Infrastructure Grant Programs administered by the

¹ Resolution at pgs. 4-5.

² *Id.* at pg. 5.



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DOE, IRA, and CHIPS. The Resolution also adopted an advice letter process for IOUs to track and report costs and grant project progress.

OP 1 of the Resolution ordered the IOUs, including Southwest Gas, to submit a Tier 2 advice letter within 60 days of issuance of the Resolution to modify its Tariff Preliminary Statement to establish the IJAMA effective April 6, 2023, the effective date of the Resolution.³ Pursuant to OPs 2 and 3, the IJAMA will consist of two subaccounts – the IJJA Cost Subaccount and the IJJA Tax Subaccount.⁴ The IJJA Cost Subaccount will track the incremental cost of any projects that are seeking and/or awarded federal funding, including incremental costs incurred during the preparation of applications, to inform oversight and evaluation of future match funding cost recovery requests, whereas the IJJA Tax Subaccount will track the tax impacts of the federal grant awards. Lastly, per OP 4, cost recovery of the IJAMA balances will be addressed in the IOUs' General Rate Case applications or standalone project applications.⁵

Therefore, Southwest Gas requests authorization to modify its Tariff Preliminary Statement to establish the IJAMA in accordance with OPs 1 through 4 in the Resolution.

Effective Date

Pursuant to OP 1, Southwest Gas designates this Advice Letter as Tier 2 (effective after Energy Division disposition) and respectfully requests that this Advice Letter be made effective on April 6, 2023, which is the effective date of the Resolution.

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

³ *Id.* at pg.19.

⁴ *Id.* at pg.20.

⁵ *Id.*



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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 accordance with OP 1 in the Resolution.

Service

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter to interested parties shown on the attached distribution list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Valerie J. Ontiveroz

Attachments

Distribution List

Advice Letter No. 1264-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

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Tariffs@socalgas.com

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Kevin Johnston
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ATTACHMENT A
Advice Letter No. 1264-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
15th Revised Sheet No. 2	Table of Contents (<i>Continued</i>)	15th Revised Sheet No. 2
Original Sheet No. 45.20.5	Preliminary Statement (<i>Continued</i>)	
Original Sheet No. 45.20.6	Preliminary Statement (<i>Continued</i>)	

SOUTHWEST GAS CORPORATION

P.O. Box 98510

Las Vegas, Nevada 89193-8510

California Gas Tariff

Canceling 15th Revised Cal. P.U.C. Sheet No. 2
14th Revised Cal. P.U.C. Sheet No. 2

TABLE OF CONTENTS

The following listed sheets contain all the effective rates and rules affecting rates and service and information relating thereto in effect on and after the date indicated thereon.

<u>DESCRIPTION</u>	<u>CAL. P.U.C. SHEET NOS.</u>
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Map and Description of Franchise and Service Area	46 – 64
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Advice Letter No. 1264
Decision No. _____

Issued by
Amy L. Timperley
Chief Regulatory Officer

Date Filed June 9, 2023
Effective _____
Resolution No. E-5254

PRELIMINARY STATEMENT
(Continued)

39. INFRASTRUCTURE INVESTMENT AND JOBS ACT MEMORANDUM ACCOUNT (IJAMA)

39A. PURPOSE

The purpose of the IJAMA is to record and track 1) incremental costs for projects seeking and/or awarded federal funding, including incremental costs incurred during the development and preparation of applications for such funding; and 2) tax impacts of federal grant awards, including both tax liabilities related to federal grant awards and tax benefits such as the impact of depreciation pursuant to Resolution E-5254, effective April 6, 2023. The IJAMA shall consist of two subaccounts.

IJAMA Cost Subaccount – The purpose of this subaccount is to record incremental costs for any projects seeking and/or awarded federal funding.

IJAMA Tax Subaccount – The purpose of this subaccount is to record the tax impacts of the federal grant awards funding.

39B. APPLICABILITY

The IJAMA balance will be recovered from all customers, except any customers specifically excluded by the Commission.

39C. ACCOUNTING – IJAMA Cost Subaccount

Separate entries will be maintained for the Company's Southern California, and Northern California, including South Lake Tahoe service areas. The Company will make the following entries to the IJAMA Cost Subaccount at the end of each month, net of Franchise Fees & Uncollectibles (FF&U), where applicable, as follows:

- a. A debit entry equal to the actual incremental operation and maintenance (O&M) costs and capital-related costs (i.e., depreciation, taxes, and return) for any projects seeking and/or awarded federal funding, including incremental costs incurred for the development and preparation of applications for such funding;

PRELIMINARY STATEMENT
(Continued)

39. INFRASTRUCTURE INVESTMENT AND JOBS ACT MEMORANDUM ACCOUNT
(IIJAMA) (Continued)

39C. ACCOUNTING – IIJA Cost Subaccount (Continued)

- a. An entry to amortize the balance in this subaccount as authorized by the Commission; and
- b. An entry to record interest on the account balance calculated as set forth in Section 12B of this Preliminary Statement.

39D. ACCOUNTING – IIJA Tax Subaccount

Separate entries will be maintained for the Company's Southern California, and Northern California, including South Lake Tahoe service areas. The Company will make the following entries to the IIJA Tax Subaccount at the end of each month, net of FF&U, where applicable, as follows:

- a. A debit or credit entry equal to the tax impacts of the federal grant awards, including any related tax benefits:
- b. An entry to amortize the balance in this subaccount as authorized by the Commission; and
- c. An entry to record interest on the account balance calculated as set forth in Section 12B of this Preliminary Statement.

38E. IIJAMA DISPOSITION

Costs recorded in the IIJAMA may be recovered in rates only after a request by the Company and approval by the Commission either through a general rate case or other applicable proceeding.

N
N



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	