

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 12, 2024

Advice Letter 1266-G/G-A

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

**SUBJECT: Revisions to Rule Nos. 13, 15, and 16 and Form Pursuant to
Decision (D.) 22-09-026.**

Dear Ms. Ontiveroz;

SWG Advice Letter 1266-G/G-A is effective as of July 1, 2023.

Sincerely,

A handwritten signature in black ink that reads "Leuwam Tesfai".

Leuwam Tesfai
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division
California Public Utilities Commission



SOUTHWEST GAS CORPORATION

January 17, 2024

Advice Letter No. 1266-G-A

Public Utilities Commission of the State of California

Subject: Partial Supplemental Revisions to Rule Nos. 13, 15, and 16 and Form Pursuant to Decision (D.) 22-09-026.

Purpose

Southwest Gas Corporation (Southwest Gas or Company) hereby submits this partial supplemental Advice Letter to update revisions to its California Gas Tariff for approval by the California Public Utilities Commission (Commission). This partial supplemental Advice Letter replaces two tariff sheets originally submitted in Advice Letter No. (AL) 1266, and includes an additional tariff sheet to accommodate text movement. The tariff sheets being modified as a result of this submission are provided in Attachment A.

Background

On September 15, 2022, the Commission approved D.22-09-026 in Rulemaking (R.) 19-01-011,¹ adopting the Energy Division staff proposal to eliminate gas line extension allowances, the 10-year refundable payment option, and the 50 percent discount payment option from the gas line extension rules of Southern California Gas Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company and Southwest Gas. The elimination applies to new applications for gas line extensions for all customers in all customer classes submitted on or after July 1, 2023.²

On October 22, 2022, Southwest Gas submitted AL 1231 pursuant to OP 4 in D.22-09-026 to comply with the requirements of OP 1-3 of the same decision by revising the above listed tariff Rules. In AL 1231, Southwest Gas stated that the tariff sheets submitted were illustrative and submitted in redlined format only.³ Southwest Gas subsequently submitted AL 1266 to implement the proposed tariff revisions with an effective date of July 1, 2023. The Energy Division suspended AL 1231 for additional review on July 28, 2023, and again on November 21, 2023. Southwest Gas is submitting this partial supplement to incorporate additional revisions at the request of the Energy Division.

¹ R.19-01-011 – Order Instituting Rulemaking Regarding Building Decarbonization, filed on January 31, 2019.

² D.22-09-026 at pg. 2 and OP 1 at pg. 81.

³ The Energy Division approved Southwest Gas' Advice Letter No. 1231 effective July 1, 2023.



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Revisions to Rule Nos. 13 and 15

In this partial supplement, Southwest Gas is incorporating the following revisions:

Rule No. 13 – Section A.1 Establishment of Temporary Service

The applicant shall pay, in advance or otherwise as required by the Company, the estimated cost of installation plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service; after the Company commences work, the applicant shall pay the Company's actual installation cost if it exceeds the estimated installation cost. **Applicant shall be reimbursed by the Utility if the estimated costs exceeds the final actual cost (excluding Betterments).**

Rule No. 15 – Section C. Extension Allowances – 2. Basis of Allowances

- b. The non-residential project's gas line extension is consistent with California's climate goals, including those articulated in Senate Bill 32 (Pavley, 2016); and,
- c. The non-residential project demonstrates that it has no feasible alternatives to the use of natural gas, including electrification; and,
- d. The Company is provided evidence that construction will proceed promptly and financing is adequate; **or**
- e. Applicant has submitted evidence of building permit(s) or lease agreement(s); **or**
- f. Where there is equivalent evidence of occupancy or gas usage satisfactory to the Company.

No other tariff sheets submitted in AL 1266 are impacted by this submission.

Effective Date

Pursuant to the Energy Division's approval of Southwest Gas' AL 1231 and consistent with AL 1266, this Advice Letter is designated as Tier 1 (Effective Pending Disposition). Southwest Gas respectfully requests that this Advice Letter be made effective on July 1, 2023, which is the originally requested effective date.

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:



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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 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 4 in D.22-09-026 and the authority granted in Advice Letter No. 1231.

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 and the individuals listed on the official service list in R.19-01-011.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Valerie J. Ontiveroz

Attachments

Distribution List

Advice Letter No. 1266-G-A

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

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Scott Blaising
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Jim Mosher
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Kevin Johnston
KVNJ@yahoo.com

ATTACHMENT A
Advice Letter No. 1266-G-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
2nd Revised Sheet No. 193	Rule No. 13 - Temporary Service	1st Revised Sheet No. 193
1st Revised Sheet No. 194	Rule No. 13 – Temporary Service (<i>Continued</i>)	Original Sheet No. 194
1st Revised Sheet No. 199.1	Rule No. 15 – Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 199.1

RULE NO. 13

TEMPORARY SERVICE

A. ESTABLISHMENT OF TEMPORARY SERVICE

The Company shall, if no undue hardship to its existing customers will result therefrom, furnish temporary service under the following conditions:

1. The applicant shall pay, in advance or otherwise as required by the Company, the estimated cost of installation plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service; after the Company commences work, the applicant shall pay the Company's actual installation cost if it exceeds the estimated installation cost. Applicant shall be reimbursed by the Company if the estimated cost exceeds the final actual cost (excluding Betterments).
2. The applicant shall establish credit as required by Rule No. 6 of this California Gas Tariff, except that the amount of deposit prescribed in Rule No. 7 of this California Gas Tariff shall not exceed the estimated bill for the duration of service.

B. APPLICANT DESIGN

Applicant may elect to use the Applicant Design Option to design that portion of the temporary facilities normally designed by the Company in accordance with the same fundamental Applicant Design Option provisions outlined in Rule 15, Section F of this California Tariff, except that all charges and refunds shall be made under the provisions of this Rule.

C. CHANGE TO PERMANENT STATUS

1. If temporary service to the gas equipment or apparatus as originally installed, or its equivalent, is supplied to a customer on a continuous, intermittent or seasonal basis for a period of 36 consecutive months from the date gas service first was delivered under this rule, the customer shall be classified as permanent and the payment made in excess of that required for permanent service or under the extension rules for permanent customer shall be refunded in accordance with the provisions of Section D.2 following, provided the customer then complies with all of the Rules applicable to gas service.
2. If at any time the character of a customer's temporary operations changes so that in the opinion of the Company the customer may be classified as permanent, the amount of payment made in excess of that required for permanent service shall be refunded immediately to the customer in accordance with Section D.1 following.

RULE NO. 13

TEMPORARY SERVICE

(Continued)

C. CHANGE TO PERMANENT STATUS *(Continued)*

3. In no event will a customer's service be classified as temporary for more than six years.

D. REFUNDS

1. The amount of refund upon reclassification of a customer's service from temporary to permanent will be made on the basis of the extension rule in effect at the time temporary service was first rendered to the customer.
2. The payment made by the applicant in excess of any that may be required under the extension rule for permanent service in effect at the time of original temporary service shall be refunded at the rate of 1 2/3 percent for each month of service in excess of the first 12 months. Refunds shall be made annually except when partial year payment may be required upon termination of service.
3. If payment has not been made in advance, applicant's excess obligation shall be reduced by 1 2/3 percent for each month of service in excess of the first 12 months.
4. Total refunds shall not exceed the amount deposited and no interest shall be paid on the amount advanced.

RULE NO. 15
GAS MAINS EXTENSIONS
(Continued)

C. EXTENSION ALLOWANCES (Continued)

2. Basis of Allowances (Continued)

- b. The non-residential project's gas line extension is consistent with California's climate goals, including those articulated in Senate Bill 32 (Pavley, 2016); and,
- c. The non-residential project demonstrates that it has no feasible alternatives to the use of natural gas, including electrification; and,
- d. The Company is provided evidence that construction will proceed promptly and financing is adequate; or
- e. Applicant has submitted evidence of building permit(s) or lease agreement(s); or
- f. Where there is equivalent evidence of occupancy or gas usage satisfactory to the Company.

The allowances in Sections C.3 and C.4 of this Rule are based on a revenue-supported methodology using the following formulas:

$$\text{ALLOWANCE} = \frac{\text{NET REVENUE}}{\text{COST OF SERVICE FACTOR}}$$

C
N/D
C
N/D



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	



SOUTHWEST GAS CORPORATION

June 30, 2023

Advice Letter No. 1266

Public Utilities Commission of the State of California

Subject: Revisions to Rule Nos. 13, 15, and 16 and Form Pursuant to Decision (D.) 22-09-026.

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 as a result of this submission are provided in Attachment A.

Purpose

The purpose of this Advice Letter is to provide revisions to the following Rules and tariff form in compliance with D.22-09-026 (Decision) Ordering Paragraph (OP) 4, which implements the requirements of OPs 1-3 in the Decision:

- Rule No. 13 – Temporary Service (Rule No. 13)
- Rule No. 15 – Gas Main Extensions (Rule No. 15)
- Rule No. 16 – Gas Service Extensions (Rule No. 16)
- Form 130.0 – Gas Main Extension Agreement

Background

On September 15, 2022, the Commission approved D.22-09-026 in Rulemaking (R.) 19-01-011,¹ adopting the Energy Division staff proposal to eliminate gas line extension allowances, the 10-year refundable payment option, and the 50 percent discount payment option from the gas line extension rules of Southern California Gas Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company and Southwest Gas. The elimination applies to new applications for gas line extensions for all customers in all customer classes submitted on or after July 1, 2023.²

On October 22, 2022, Southwest Gas submitted Advice Letter No. 1231 pursuant to OP 4 in D.22-09-026 to comply with the requirements of OP 1-3 of the same decision by revising the above listed tariff Rules. In Advice Letter No. 1231, Southwest Gas stated that the tariff sheets submitted were illustrative and submitted in redlined format only.³ Southwest Gas would then subsequently submit a Tier 1 Advice Letter to implement the proposed tariff revisions with an

¹ R.19-01-011 – Order Instituting Rulemaking Regarding Building Decarbonization, filed on January 31, 2019.

² D.22-09-026 at pg. 2 and OP 1 at pg. 81.

³ The Energy Division approved Southwest Gas' Advice Letter No. 1231 effective July 1, 2023.



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effective date of July 1, 2023. Therefore, this Advice Letter seeks only to implement the proposed tariff sheets approved in Advice Letter No. 1231.

Effective Date

Pursuant the Energy Division's approval of Southwest Gas' Advice Letter No. 1231, this Advice Letter is designated as Tier 1 (Effective Pending Disposition). Southwest Gas respectfully requests that this Advice Letter be made effective on July 1, 2023, which is the date submitted.

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 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 4 in D.22-09-026 and the authority granted in Advice Letter No. 1231.

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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 and the individuals listed on the official service list in R.19-01-011.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Valerie J. Ontiveroz

Attachments

Distribution List

Advice Letter No. 1266 -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

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Jim Mosher
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Kevin Johnston
KVNJ@yahoo.com

ATTACHMENT A
Advice Letter No. 1266

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
21st Revised Sheet No. 5	Table of Contents (<i>Continued</i>)	20th Revised Sheet No. 5
1st Revised Sheet No. 193	Rule No. 13 - Temporary Service	Original Sheet No. 193
1st Revised Sheet No. 199	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 199
Original Sheet No. 199.1	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	
1st Revised Sheet No. 200	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	2nd Revised Sheet No. 200
1st Revised Sheet No. 201	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 201
1st Revised Sheet No. 202	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 202
1st Revised Sheet No. 203	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 203
1st Revised Sheet No. 204	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 204
1st Revised Sheet No. 205	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 205
1st Revised Sheet No. 206	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 206
1st Revised Sheet No. 207	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 207
1st Revised Sheet No. 208	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 208
1st Revised Sheet No. 210	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 210

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
1st Revised Sheet No. 212	Rule No. 15 - Gas Mains Extensions (<i>Continued</i>)	Original Sheet No. 212
1st Revised Sheet No. 221	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 221
1st Revised Sheet No. 227	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 227
1st Revised Sheet No. 228	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 228
Original Sheet No. 228.1	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	
1st Revised Sheet No. 229	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 229
1st Revised Sheet No. 231	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 231
1st Revised Sheet No. 232	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 232
2nd Revised Sheet No. 233	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	1st Revised Sheet No. 233
2nd Revised Sheet No. 234	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	1st Revised Sheet No. 234
1st Revised Sheet No. 235	Rule No. 16 - Gas Service Extensions (<i>Continued</i>)	Original Sheet No. 235
2nd Revised Sheet No. 280	Gas Main Extension Agreement (California) (Form 130.0 10/2022)	1st Revised Sheet No. 280

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130.7	Service Agreement (California) (11/2020)	283
130.16	Applicant Installation Cost Verification/Statement of Refundable Costs for Applicant Installation (11/2020)	284
130.20	Facility Relocation Agreement (Arizona/California/Nevada) (11/2020)	284.1
914.5	Third Party Notification Program (11/2020)	284.2
334.0	Contract for Installation of Gas Service Facilities—Ingress and Egress Permit (11/2020)	285
336.0	Proposal to Purchase and Agreement for Transfer of Ownership of Distribution Systems (California) (11/2020)	286
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RULE NO. 13

TEMPORARY SERVICE

A. ESTABLISHMENT OF TEMPORARY SERVICE

The Company shall, if no undue hardship to its existing customers will result therefrom, furnish temporary service under the following conditions:

1. The applicant shall pay, in advance or otherwise as required by the Company, the estimated cost of installation plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service; after the Company commences work, the applicant shall pay the Company's actual installation cost if it exceeds the estimated installation cost.
2. The applicant shall establish credit as required by Rule No. 6 of this California Gas Tariff, except that the amount of deposit prescribed in Rule No. 7 of this California Gas Tariff shall not exceed the estimated bill for the duration of service.

B. APPLICANT DESIGN

Applicant may elect to use the Applicant Design Option to design that portion of the temporary facilities normally designed by the Company in accordance with the same fundamental Applicant Design Option provisions outlined in Rule 15, Section F of this California Tariff, except that all charges and refunds shall be made under the provisions of this Rule.

C. CHANGE TO PERMANENT STATUS

1. If temporary service to the gas equipment or apparatus as originally installed, or its equivalent, is supplied to a customer on a continuous, intermittent or seasonal basis for a period of 36 consecutive months from the date gas service first was delivered under this rule, the customer shall be classified as permanent and the payment made in excess of that required for permanent service or under the extension rules for permanent customer shall be refunded in accordance with the provisions of Section D.2 following, provided the customer then complies with all of the Rules applicable to gas service.
2. If at any time the character of a customer's temporary operations changes so that in the opinion of the Company the customer may be classified as permanent, the amount of payment made in excess of that required for permanent service shall be refunded immediately to the customer in accordance with Section D.1 following.
3. In no event will a customer's service be classified as temporary for more than six years.

RULE NO. 15
GAS MAINS EXTENSIONS
(Continued)

B. INSTALLATION RESPONSIBILITIES (Continued)

3. Installation Options

a. Company-Performed Work

Where requested by Applicant and mutually agreed upon, the Company may furnish and install the substructures and/or protective structures, provided Applicant pays the Company its total estimated installed cost.

b. Applicant Performed Work

Applicant may elect to install that portion of the new extension normally installed by the Company, in accordance with the Company's design and specifications, using qualified contractors. (See Section G, Applicant Installation Option.)

C. EXTENSION ALLOWANCES

1. General

New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for allowances, except for Eligible Projects approved by the Commission (see Section C.2.) For Eligible Projects approved by the Commission, the Company will complete an extension without charge provided the Company's total estimated installed cost (excluding services and Meter Set Assemblies subject to Rule No. 16) does not exceed the allowances, from permanent, bona fide loads to be served by the extension, within a reasonable time as determined by the Company and if the Company's actual installed cost does not exceed its total estimated installed cost and the allowances.

2. Basis of Allowances

New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for allowances, except for Eligible Projects approved by the Commission. For Eligible Projects approved by the Commission, allowances shall be granted to an Applicant for non-residential Permanent Service or to an Applicant for a non-residential subdivision or development under the following conditions:

- a. The non-residential project shows a demonstrable reduction in greenhouse gas emissions; and,

N
N
N

N
N
N

N
|
N

N
N
L

RULE NO. 15
GAS MAINS EXTENSIONS
(Continued)

C. EXTENSION ALLOWANCES (Continued)

2. Basis of Allowances (Continued)

- b. The non-residential project's gas line extension is consistent with California's climate goals, including those articulated in Senate Bill 32 (Pavley, 2016); and,
- c. The non-residential project demonstrates that it has no feasible alternatives to the use of natural gas, including electrification; and,
- d. The Company is provided evidence that construction will proceed promptly and financing is adequate.
- e. Applicant has submitted evidence of building permit(s) or lease agreement(s).
- f. Where there is equivalent evidence of occupancy or gas usage satisfactory to the Company.

The allowances in Sections C.3 and C.4 of this Rule are based on a revenue-supported methodology using the following formulas:

$$\text{ALLOWANCE} = \frac{\text{NET REVENUE}}{\text{COST OF SERVICE FACTOR}}$$

N
|
N
L
L
L/T/D
|
L

Rule No. 15

GAS MAIN EXTENSIONS
(Continued)

C. EXTENSION ALLOWANCES (Continued)

3. Residential Allowances

No allowance for residential Permanent Service will be provided for applications submitted on or after July 1, 2023. The allowance for Eligible Projects approved by the Commission on a per-unit basis, is as follows:

	<u>Southern California</u>	<u>Northern California/ South Lake Tahoe</u>
Water Heating	\$ 183	\$ 231
Space Heating	\$ 674	\$ 862
Oven/Range	\$ 69	\$ 28
Dryer Stub	\$ 115	\$ 70
Space Cooling	\$ 1,765	Not Applicable

Residential Applicants for both main and service extensions who are entitled to a Main Extension allowance in excess of the total estimated cost of the Main Extension may apply the amount of the unused portion of such Main Extension allowance toward the cost of the service extension, provided that the sum of the main and service allowances granted by the Company does not exceed the total allowances provided in Rule No. 15, Gas Main Extensions and Rule No. 16, Gas Service Extensions in the California Gas Tariff.

Allowances will be applied first to the Meter Set Assembly; then services; then mains.

4. Non-Residential Allowances

For Eligible Projects approved by the Commission, the total allowance for Gas Main Extensions, service extensions, or a combination thereof, for non-residential Permanent Service is determined by the Company using the formula in Section C.2 of this Rule. The Company, at its election, may apply a Non-Residential Allowance Net Revenue Multiplier of 5.7 times Net Revenue in its Northern California Division or 6.2 times Net Revenue in its Southern California Division.

RULE NO. 15

GAS MAINS EXTENSIONS
(Continued)

C. EXTENSION ALLOWANCES (Continued)

4. Non-Residential Allowances (Continued)

Where the extension of an Eligible Project approved by the Commission will serve a combination of residential and non-residential meters, no residential allowances will be added to the non-residential allowances.

N
N

5. Seasonal, Intermittent, Insignificant and Emergency Loads

When Applicant of an Eligible Project approved by the Commission requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2 of this Rule. No allowance will be provided to an Eligible Project approved by the Commission where service is used only for emergency purposes or for Insignificant Loads.

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N
N

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT

1. General

Contributions or Advances by an Applicant to the Company for the installation of an extension to receive Company service consist of such things as cash payments, the value of the facilities deeded to the Company and the value of Trenching performed by Applicant.

2. Project-Specific Cost Estimates

The Company's total estimated installed cost will be based on a project-specific estimated cost.

3. Cash Payment

A cash payment is required in advance of the Company commencing work for the Company's total estimated installed cost (excluding Betterments) and is required after the Company commences work if the Company's actual installed cost exceeds its total estimated installed cost (excluding Betterments). For Eligible Projects approved by the Commission, a cash payment will only be required in advance of the Company commencing work if Applicant's allowance is less than the Company's total estimated installed cost (excluding Meter Set Assemblies, services, and Betterments), and after the Company commences work if the Company's actual installed cost exceeds its total estimated installed cost and the allowances (excluding Meter Set Assemblies, services, and Betterments).

N/D
N/D
N

RULE NO. 15

GAS MAINS EXTENSIONS
(Continued)

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT (Continued)

4. Postponement

For Eligible Projects approved by the Commission, at the Company's option, the payment of that portion of such an Advance that the Company estimates would be refunded within 6 months under other provisions of this rule may be postponed for 6 months if: (1) the Company is provided evidence the construction will proceed promptly and financing is adequate; (2) Applicant has submitted evidence of building permit(s) or lease agreement(s); or (3) where there is equivalent evidence of gas usage satisfactory to the Company; and (4) Applicant agrees in writing to pay at the end of 6 months all amounts not previously Advanced.

5. Tax

All Contributions and Advances by Applicant are taxable and shall include an Income Tax Component Contribution (ITCC) at the rate provided in the Company's Preliminary Statement. ITCC Tax will be either refundable or non-refundable in accordance with the corresponding Contribution and Section C of this Rule.

6. Refundable and Non-Refundable Amounts

New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for refunds, except for Eligible Projects approved by the Commission. For Eligible Projects approved by the Commission, the Applicant shall advance or contribute, before the start of the Company's construction, the following:

a. Refundable Amount

For Eligible Projects approved by the Commission, the Applicant's refundable amount is the portion of the Company's total installed cost, including taxes, to complete the extension (excluding Meter Set Assemblies, services and Betterment), including the estimated value of the Trenching, that exceeds the amount of extension allowance determined in Section C of this Rule; or,

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RULE NO. 15

GAS MAINS EXTENSIONS
(Continued)

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT (Continued)

b. Non-Refundable Discount Option

In lieu of contributing the refundable amount determined in Section D.6.a of this Rule, and at the Company's option, Non-residential Applicants have the option of contributing, on a non-refundable basis, 50 percent of such refundable amount, based on expected revenues, plus;

c. Other Non-Refundable Amounts

Applicant's non-refundable amount is the Company's estimated value of the Substructures and Protective Structures required by the Company for the extension under Section B.1 of this Rule.

7. Joint Applicants

The total Contribution or Advance from a group of Applicants will be apportioned among the members of the group in such manner as they may mutually agree.

8. Payment Adjustments

a. Contract Compliance

If, after three years following the date the Company is first ready to serve non-residential loads for which allowances were granted, Applicant of an Eligible Project approved by the Commission fails to take service or fails to use the service contracted for, Applicant shall pay the Company an additional Contribution or Advance based on the allowances for the revenues actually generated.

b. Excess Facilities

If the loads provided by Applicant(s) result in the Company installing facilities which are in excess of those needed to serve the actual loads and the Company elects to reduce such excess facilities, Applicant shall pay the Company its total cost to remove, abandon or replace its excess facilities, less the estimated salvage value of any removed facilities.

RULE NO. 15
GAS MAIN EXTENSIONS
(Continued)

E. REFUND BASIS

1. General

New applications for gas line extensions submitted on or after July 1, 2023, will not qualify for refunds, except for Eligible Projects approved by the Commission. For Eligible Projects approved by the Commission, refunds are based on the allowances and conditions in effect at the time the contract is signed. N
N
N/T

2. Total Refundable Amount

For Eligible Projects approved by the Commission, the total amount subject to refund is the sum of the refundable amounts made under Section D.6. N/T

3. Refund Period

For Eligible Projects approved by the Commission, the total refundable amount is subject to refund for a period of 10 years after the extension is first ready for service. N/T

4. Residential

If the application for these residential line extension project types is submitted on or after July 1, 2023, refunds will not be made on the basis of a new customer's permanent load which produces additional revenues to the Company. N
N
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5. Non-Residential

For Eligible Projects approved by the Commission, the Company shall be responsible for reviewing Applicant's actual base annual revenue for the first three years from the date the Company is first ready to serve. Applicant shall be responsible for notifying the Company if new, permanent load is added from the 4th through the 10th year from the date first ready to serve. Such review shall determine if the additional revenue supports any refunds to the Applicant. (See Section E.11 of this Rule for series refund provisions.) N/T

RULE NO. 15

GAS MAIN EXTENSIONS
(Continued)

E. REFUND BASIS (Continued)

6. Unsupported Extension Cost

For Eligible Projects approved by the Commission, when any portion of a refundable amount has not qualified for a refund at the end of 36 months from the date the Company is first ready to serve, the Non-Residential Applicant will pay to the Company an Ownership Charge on the remaining refundable balance. Ownership Charges will normally be accumulated and deducted from refunds due to the Applicant. This provision does not apply to individual residential Applicants.

N/T

N

7. Refund Timing

For Eligible Projects approved by the Commission, refunds will be made without interest within 90 days after the date of first service to new permanent loads, except that refunds may be accumulated to a \$50 minimum or the total refundable balance, if less than \$50.

N/T

8. Maximum Refund

No refund shall be made in excess of the refundable amount nor after a period of 10 years from the date the Company is first ready to serve. Any unrefunded amount remaining at the end of the 10 year period shall become the property of the Company.

9. Previous Rules

Refundable amounts paid, contributed or advanced under conditions of a rule previously in effect will be refunded in accordance with the provisions of such earlier rule.

10. Joint Applicants

When two or more parties make joint Contributions or Advances on the same extension of an Eligible Project approved by the Commission, refunds will be distributed to these parties in the same proportion as their individual Contributions or Advances bear to the total refundable amount, or as they may mutually agree.

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RULE NO. 15

GAS MAIN EXTENSIONS

(Continued)

E. REFUND BASIS *(Continued)*

11. Series of Extensions

For gas line extension applications submitted before July 1, 2023, and for Eligible Projects approved by the Commission, where there are a series of extensions, commencing with an extension having an outstanding amount subject to refund and each extension is dependent upon the previous extension as a direct source of supply, a series refund will be made as follows:

- a. Additional service connections supplied from an extension on which there is a refundable amount will provide refunds first to the extension to which they are connected.
- b. When the amount subject to refund on an extension in a series is fully refunded, the excess refundable amount will provide refunds to the extension having the oldest outstanding amount subject to refund in the series.

F. APPLICANT DESIGN OPTION FOR NEW INSTALLATIONS

1. Competitive Bidding

When Applicant selects the Applicant Design Option, the extension may be designed by Applicant's Qualified Contractor or Subcontractor (QC/S) in accordance with Company's design and construction standards. All applicant design work of gas facilities must be performed by, or under the direction of, a licensed professional engineer, and all design work submitted to the Company must be certified by an appropriately-licensed professional engineer, consistent with the applicable federal, state and local codes and ordinances. The Applicant Design Option is available to Applicants for new service and is not available for replacement, reinforcement, or relocation of existing systems where there is no applicant for new main or service extension work. Under this option, the following applies:

- a. Applicant shall notify the Company in a manner acceptable to the Company.
- b. Applicant designs shall conform to all applicable federal, state, and local codes and ordinances for utility installation designs (such as, but not limited to the California Business and Professions Code).

RULE NO. 15

GAS MAIN EXTENSIONS
(Continued)

F. APPLICANT DESIGN OPTION FOR NEW INSTALLATIONS (Continued)

1. Competitive Bidding (Continued)

- c. Company may require applicant designers to meet the Company's prequalification requirements prior to participating in applicant design.
- d. Applicant designers shall obtain Company design and construction standards and specifications prior to performing applicant design. The Company may charge for any of these services.
- e. Company will perform one plan check on each applicant design project at no expense to Applicant. Company will perform all subsequent plan checks at Applicant's expense.
- f. For designs performed by non-Utility designers, Company will credit Applicant with the amount of Company's design bid less any appropriate charges, such as for plan checking, changes or revisions.
- g. In the case of applicant design projects requiring an advance, Company will apply the design credit to the Applicant's advance.
- h. For Eligible Projects approved by the Commission, if no advance is required, Company will refund/reimburse the Applicant for the Company's cost of design after the (Service/Main) Extension is first ready for service.
- i. Company shall perform all Company's project accounting and cost estimating.

N/T
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G. APPLICANT INSTALLATION OPTION

- 1. When Applicant selects the Applicant Installation Option, the extension may be installed by the Applicant's qualified contractor or subcontractor (QC/S) in accordance with the Company's design and specifications.

Applicants choosing the Applicant Installation Option are subject to the preceding general rules, as well as the following rules and as they might modify the preceding sections.

RULE NO. 15

GAS MAIN EXTENSIONS

(Continued)

G. APPLICANT INSTALLATION OPTION *(Continued)*

- a. Upon completion of Applicant's installation, and acceptance by the Company, ownership of all such facilities will transfer to the Company.
- b. Applicant shall provide to the Company, prior to the Company preparing the Gas Main extension contract, the Applicant's Contract Anticipated Costs to perform the work normally provided by the Company. The Applicant shall submit, on a form provided by the Company, a statement of such costs. If the Applicant elects not to provide such costs to the Company, the Applicant shall acknowledge its election on the form and the Company will use its estimated costs.
- c. Applicant shall pay to the Company, subject to the provisions of Rule Nos. 15 and 16 of this California Gas Tariff, the Company's estimated cost of work performed by the Company for the Gas Main extension, including the estimated cost for design, administration, and installation of any additional facilities. After the Company commences work, if the Company's actual cost of work performed by the Company exceeds the estimated cost of work performed by the Company (excluding Betterments), Applicants shall pay the Company the cost difference.
- d. The lower of the Company's estimated cost, or Applicant's Contract Anticipated Costs, as reported to the Company in G.1.b of this Rule, for the work normally performed by the Company, shall be subject to the provisions of Rule Nos. 15 and 16 of this California Gas Tariff.
- e. Applicant shall pay to the Company the estimated cost of the Company's inspection, which shall be a fixed amount, not subject to reconciliation to actual inspection costs. For Eligible Projects approved by the Commission, such inspection cost is refundable within the allowance up to the difference between the Applicant's Contract Anticipated Costs, as reported in G.1.b herein, and the Company's estimated costs to perform the same work, but not to exceed the Company's estimated costs.
- f. Only duly authorized employees of the Company are allowed to connect to, disconnect from, or perform any work upon the Company's facilities.

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RULE NO. 15

GAS MAIN EXTENSIONS

(Continued)

H. SPECIAL CONDITIONS

1. Facility Relocation or Rearrangement

Any relocation or rearrangement of the Company's existing facilities, at the request of, or to meet the convenience of, an Applicant or customer and agreed upon by the Company, normally shall be performed by the Company at Applicant's expense. Where new facilities can be constructed in a separate location, before abandonment or removal of any existing facilities, and Applicant requests to perform the new construction work, it can be performed under the applicable provisions of Section G, Applicant Installation Option.

In all instances, the Company shall abandon or remove its existing facilities at the option of the Company. The Applicant or customer shall be responsible for the costs of all related relocation, rearrangement and removal work.

2. Periodic Review

The Company will periodically review the factors it uses to determine its allowances, non-refundable discount option percentage rate, Non-residential Allowance Net Revenue Multiplier and cost of service factor stated in this Rule. If such review results in a change of more than 5 percent, the Company will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted to the Commission for approval with Eligible Projects by July 1 of each year beginning in 2023.

Additionally, the Company shall submit tariff revisions to implement relevant Commission decisions from other proceedings that affect this Rule.

3. Exceptional Cases

When the application of this rule appears impractical or unjust to either party or the ratepayers, the Company or Applicant may refer the matter to the Commission for a special ruling or for the approval a of special condition(s) which may be mutually agreed upon.

4. Service from Gas Transmission Lines

The Company will not tap a gas transmission line except at its option when conditions in its opinion justify such a tap. Such taps are made in accordance with the provisions of this Rule.

RULE NO. 15

GAS MAIN EXTENSIONS

(Continued)

I. DEFINITIONS FOR RULE NO. 15 *(Continued)*

Franchise Area: Public streets, roads, highways and other public ways and places where the Company has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

Insignificant Loads: Small operating loads such as log lighters, barbecues, outdoor lighting, etc.

Intermittent Loads: Loads which, in the opinion of the Company, are subject to discontinuance for a time or at intervals.

Joint Trench: Excavation that intentionally provides for more than one service, such as gas, electricity, cable television, telephone, etc.

Main Extension: The length of main and its related facilities required to transport gas from the existing distribution facilities to the point of connection with the service pipe. A Main Extension consists of new distribution facilities of the Company that are required to extend service into an open area not previously supplied to serve an Applicant. It is a continuation of, or branch from, the nearest available existing permanent Distribution Main, to the point of connection of the last service. The Company's Main Extension includes any required substructures and facilities for transmission taps, but excludes services and Meter Set Assemblies.

Meter Set Assembly: Consists of the customer meter, service pressure regulator and associated pipe and fittings.

Net Revenue: That portion of the total rate that supports the Company's extension costs and excludes such items as fuel costs, transmission, storage, public purpose programs, and other costs that do not support the extension costs.

Non-Residential Allowance Net Revenue Multiplier: This is a revenue-supported factor determined by the Company that is applied to the net revenues expected from non-residential loads to determine non-residential allowances.

Ownership Charge: Monthly charge as a percentage rate applied against the outstanding unrefunded refundable balance after 36 months from the date the Company is first ready to serve. Serves to recover the cost of operating and maintaining customer-financed facilities that are not fully utilized. The Ownership Charge percentage rate is equal to the inverse of the Non-Residential Allowance Net Revenue Multiplier contained in Section C.4 of this Rule.

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RULE NO. 16

GAS SERVICE EXTENSIONS

(Continued)

C. SERVICE LATERAL FACILITIES *(Continued)*

2. Number of Service Laterals *(Continued)*

d. The Company may charge for additional services provided under this paragraph, as special or added facilities.

3. Branch Service

For additional approved Service Delivery Points to serve another Applicant on the same or adjoining Premises, the Company may install a branch service at the option of the Company and may grant allowances if Applicant qualifies under the conditions as set forth in Section E.

4. Other Service Connections

Where Applicant or customer requests another type of service connection, such as stub services, curb meters and vaults, or service from gas transmission lines, the Company will consider each such request and may grant appropriate allowances if Applicant qualifies under the conditions set forth in Section E of this Rule.

5. Unusual Site Conditions

In cases where Applicant's building or facility is located a considerable distance from the available Distribution Main or where there is an obstruction or other deterrent obstacle or hazard, such as plowed land, ditches or inaccessible security areas between the Company's Distribution Main and the building or facility to be served that would prevent the Company from prudently installing, owning and maintaining its Service Facilities, the Company may, at its discretion, modify the normal Service Delivery Point location. In such cases, the Service Delivery Point shall be at such other location on Applicant's property as may be mutually agreed upon; or, alternatively, the Service Delivery Point may be located at or near Applicant's property line, as close as practical to the available Distribution Main.

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RULE NO. 16

GAS SERVICE EXTENSIONS

(Continued)

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES *(Continued)*

2. Company Responsibility

a. Install Service Facilities

The Company, if selected by the Applicant, will furnish, install, own, and maintain the Service Facilities including Trenching, as applicable after Applicant meets all requirements to receive service.

Applicant may elect to provide the trench. If Applicant chooses to perform the Trenching, it must also secure permits from the governmental authorities having jurisdiction. Applicant providing trench will receive a credit for the Company's project-specific estimated cost-per-foot of trench. If Applicant qualifies for a Service Extension allowance, the Company may provide Applicant with a reimbursement (refunded credit) for the Company's project-specific estimated cost-per-foot of trench.

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N/T

b. Government Inspection

The Company will establish gas service to Applicant following notice from the governmental authorities having jurisdiction that the customer-owned facilities have been installed and inspected in accordance with any applicable laws, codes ordinances, rules or regulations and are safe to pressurize.

3. Installation Options

a. Company Performed Work

Where requested by Applicant and mutually agreed upon, the Company may perform that portion of the new service extension work normally the responsibility of Applicant according to Section D.1 of this Rule, provided Applicant pays the Company its total installed cost.

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b. Applicant Performed Work

Applicant may elect to use competitive bidding to install that portion of the new Service Facilities normally installed and owned by the Company, in accordance with the same provisions outlined in Rule No. 15, Gas Main Extensions of this California Gas Tariff.

Rule No. 16

GAS SERVICE EXTENSIONS
(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT

1. General

New applications for gas line extensions submitted on or after July 1, 2023, will not qualify for allowances, except for Eligible Projects approved by the Commission (see Rule No. 15, Section C.2.). For Eligible Projects approved by the Commission, the Company will provide the Service Lateral extension without charge provided the Company's total estimated installed cost (including Meter Set Assemblies) does not exceed the allowances as determined from permanent, bona-fide loads to be served by the extension within a reasonable time as determined by the Company, and if the Company's actual installed cost does not exceed its total estimated installed cost and the allowances (excluding Company Convenience).

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2. Allowances

No allowance for residential Permanent Service on a per-unit basis will be provided for applications submitted on or after July 1, 2023. The allowance for Eligible Projects approved by the Commission on a per-unit basis, is as follows:

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N/D

	<u>Southern California</u>	<u>Northern California/ South Lake Tahoe</u>
Water Heating	\$ 97	\$ 271
Space Heating	\$ 356	\$ 1,008
Oven/Range	\$ 37	\$ 33
Dryer Stub	\$ 61	\$ 82

a. Residential Applicants for both main and service extensions who are entitled to a Service Extension allowance in excess of the total estimated cost of the Service Extension may apply the amount of the unused portion of such Service Extension allowance toward the cost of the Main Extension, provided that the sum of the main and service allowances granted by the Company does not exceed the total allowances provided in Rule No. 15, Gas Main Extensions, and Rule No. 16, Gas Service Extensions.

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Rule No. 16

GAS SERVICE EXTENSIONS

(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT *(Continued)*

2. Allowances *(Continued)*

- b. Allowances will be applied first to the Meter Set Assembly; then services; then mains.
- c. For non-residential Applicants for Distribution Main and Service Extensions, refer to Section C of Rule No. 15, Gas Main Extensions of this California Gas Tariff.

3. Seasonal, Intermittent, Insignificant and Emergency Loads

When Applicant of an Eligible Project approved by the Commission requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula and conditions outlined in Rule No. 15 Gas Main Extensions of this California Gas Tariff. No allowance shall be provided to an Eligible Project approved by the Commission where service is used only for emergency purposes or for Insignificant Loads.

RULE NO. 16
GAS SERVICE EXTENSIONS
(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT (Continued)

4. Payments

A cash payment is required in advance of the Company commencing work for the Company's total estimated installed cost and is required after the Company commences work if the Company's actual installed cost exceeds its total estimated installed cost (excluding Company Convenience). For Eligible Projects approved by the Commission, a cash payment will only be required in advance of the Company commencing work if Applicant's allowance is less than the Company's total estimated installed cost, and after the Company commences work if the Company's actual installed cost exceeds its total estimated installed cost and the allowances (excluding Company Convenience). The following costs Applicant is responsible to pay are non-refundable costs, as applicable under this Rule:

a. Excess Service

For Eligible Projects approved by the Commission, the Company's total installed cost (including trenching and appurtenant facilities such as fittings, valves, etc.) in excess of the total allowance.

b. Tax

Any payments or Contributions of facilities by Applicant are taxable Contributions in Aid of Construction (CIAC) and shall include an Income Tax Component of Contribution (ITCC) for state and federal tax at the rate provided in the Company's Preliminary Statement of this California Gas Tariff.

c. Other

The Company's total cost for any work it performs that is the Applicant's responsibility or performs for the convenience of Applicant.

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RULE NO. 16
GAS SERVICE EXTENSIONS
(Continued)

F. EXISTING SERVICE FACILITIES (Continued)

2. Service Relocation or Rearrangement

a. Company Convenience

When, in the judgment of the Company, the relocation or rearrangement of a service is necessary for the maintenance of adequate service or for the operating convenience of the Company, the Company normally will perform such work at its own expense, except as provided in Sections F.2.b, F.3 and F.4 of this Rule.

b. Applicant Convenience

Any relocation or rearrangement of the Company's existing Service Facilities, at the request of Applicant (aesthetics, building additions, remodeling, etc.) and agreed upon by the Company, the work shall be performed in accordance with Section D of this Rule, except that Applicant shall pay the Company its total costs.

In all instances, the Company shall abandon or remove, at the option of the Company, the existing facilities rendered idle by the relocation or rearrangement.

3. Impaired Access and Clearances

Whenever the Company determines that:

- a. Its existing Service Lateral facilities have become inaccessible for inspections, operating, maintenance, meter reading or testing; or,
- b. A hazardous condition exists or any of the required clearances between the existing Service Facilities and any object become impaired, under any applicable laws, ordinances, rules, regulations of the Company or of public authorities, then the following applies:

RULE NO. 16
GAS SERVICE EXTENSIONS
(Continued)

F. EXISTING SERVICE FACILITIES (Continued)

3. Impaired Access and Clearances (Continued)

c. Corrective Action

Applicant or owner shall, at Applicant's or owner's expense, either correct the access or clearance infractions or pay the Company its total cost to relocate its facilities to a new location which is acceptable to the Company. Applicant or owner shall also be responsible for the expense to relocate any equipment which Applicant owns and maintains. Failure to comply with corrective measures within a reasonable time may result in discontinuance of service.

4. Damaged Facilities

When the Company's facilities are damaged by others, the repair will be made by the Company at the expense of the party responsible for the damage. Applicants are responsible for repairing their own facilities.

5. Subdivision of Premises

When the Company's Service Facilities are located on private property and such private property is subsequently subdivided into separate Premises, with ownership transferred to other than Applicant or customer, the subdivider is required to provide the Company with adequate rights-of-way, satisfactory to the Company, for its existing facilities and to notify property owners of the subdivided Premises of the existence of the rights-of-way.

When adequate rights-of-way are not granted as a result of the property subdivision, the Company shall have the right, upon written notice to the current customer, to discontinue service without obligation or liability. The existing owner, Applicant or customer shall pay to the Company the total cost of any required relocation of the Company's facilities. A new gas service will be reestablished in accordance with the provisions of Section D of this Rule for new services and the provisions of any other applicable Company rules.

RULE NO. 16

GAS SERVICE EXTENSIONS

(Continued)

H. PERIODIC REVIEW

The Company will periodically review the factors it uses to determine its allowances, non-refundable discount option percentage rate, Non-residential Allowance Net Revenue Multiplier and cost of service factor stated in this Rule. If such review results in a change of more than 5 percent, the Company will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six months after the last revision.

Additionally, the Company shall submit tariff revisions to implement relevant Commission decisions from other proceedings that affect this Rule.

I. EXCEPTIONAL CASES

When the application of this Rule appears impractical or unjust to either party or the ratepayers, the Company or Applicant may refer the matter to the Commission for a special ruling or for the approval of special conditions which may be mutually agreed upon.

J. DEFINITIONS FOR RULE NO. 16

Advance: Cash payment made to the Company prior to the initiation of any work done by the Company which is not covered by allowances.

Applicant: A person or agency requesting the Company to supply gas service.

Contribution: In-kind services and/or the value of all property conveyed to the Company at any time during the Company's work on an extension which is part of the Company's total estimated installed cost of its facilities or cash payments not covered by Applicant's allowances.

Distribution Main: The Company's gas facilities, which are operated at distribution pressure and which are designed to supply three or more services.

Eligible Project: A non-residential project meeting the criteria outlined in section E. may receive line extension allowances, a 10-year refundable payment option, or a 50-percent discount payment option if the Commission approves the Company's application filing for the Eligible Project to receive such allowances, refunds, or discounts.

Excavation: All necessary trenching, backfilling and other digging as required to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, landscape repair and replacement.

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RULE NO. 16

GAS SERVICE EXTENSIONS

(Continued)

J. DEFINITIONS FOR RULE NO. 16 *(Continued)*

Excess Flow Valve: A device designed to restrict the flow of gas in a Service Lateral by automatically closing in the event of a Service Lateral break, thus mitigating the consequences of Service Lateral failures.

Franchise Area: Public streets, roads, highways and other public ways and places where the Company has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

Insignificant Loads: Small operating loads, such as log lighters, barbecues, outdoor lighting, etc.

Intermittent Loads: Loads which, in the opinion of the Company, are subject to discontinuance for a time or at intervals.

Meter Set Assembly: Consists of the customer meter, service pressure regulator and associated pipe and fittings.

Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. This may be continuous, intermittent or seasonal in nature.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided (except in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions), by a dedicated street, highway or other public thoroughfare, or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Protective Structures: Fences, retaining walls (in lieu of grading), barriers, posts, barricades and other structures as required by the Company.

Residential Development: Five or more dwelling units in two or more buildings located on a single parcel of land.

Residential Subdivision: An area of five or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

Seasonal Service: Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages or other part-time establishments.

RULE NO. 16

GAS SERVICE EXTENSIONS

(Continued)

J. DEFINITIONS FOR RULE NO. 16 *(Continued)*

Service Delivery Point: Where the Company's Service Lateral is connected to Applicant's pipe (house line), normally adjacent to the location of the Meter Set Assembly.

Service Lateral: The pipe, valves, Meter Set Assemblies and associated equipment extending from the point of connection at the Distribution Main to the Service Delivery Point, which is normally on Applicant's Premises.

Service Lateral Shut-Off Valve: A curb valve or other valve or manually operated valve located near the Service Lateral that is safely accessible to the personnel authorized by the Company to manually shut off gas flow to the Service Lateral.

Substructures: The surface and subsurface structures which are necessary to contain or support the Company's gas facilities. This includes, but is not limited to, equipment vaults and boxes, required sleeves for street crossings and enclosures, foundations or pads for surface-mounted equipment.

Trenching: All necessary Excavation, backfilling and other digging as required to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, and landscape repair and replacement.

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
California Gas Tariff

Canceling 2nd Revised Cal. P.U.C. Sheet No. 280
1st Revised Cal. P.U.C. Sheet No. 280

GAS MAIN EXTENSION AGREEMENT (CALIFORNIA) (FORM 130.0 10/2022)

(See Attached Form)

Advice Letter No. 1266
Decision No. 22-09-026

Issued by
Amy L. Timperley
Chief Regulatory Officer

Date Filed July 1, 2023
Effective July 1, 2023
Resolution No. _____



SOUTHWEST GAS CORPORATION
GAS MAIN EXTENSION AGREEMENT (CALIFORNIA)

FEC NO.	_____
NO. OF PARTICIPANTS	___ OF ___
WR/WO NO.	_____
CASH REPORT NO.	_____
REVISION NO.	_____

1. Parties; Incorporation of Rule No. 15; Amendment; Assignment.

1.1 This is a Gas Main Extension Agreement (“Agreement”), dated _____, _____, between Southwest Gas Corporation (“Southwest”) and _____ (“Applicant”) at mailing address _____.

1.2 The provisions of Rule No. 15 of Southwest’s California Gas Tariff (“Rule No. 15”) on file with the California Public Utilities Commission (“Commission”) are hereby incorporated into this Agreement. A copy of Rule No. 15 is Appendix A to this Agreement.

1.3 This Agreement may be amended only by an instrument in writing executed by all of the parties to this Agreement. Applicant may assign this Agreement and any of Applicant’s rights under this Agreement only with Southwest’s prior written consent.

2. Service Location; Sketch of Requested Extension.

Applicant requests Southwest to install a gas main extension (“Extension”) to the following location: _____ . Appendix B to this Agreement is a sketch of the Extension to be installed.

3. Utilization of Gas Service.

3.1 Gas service to be provided through the Extension is intended to be used for the following purpose(s) (indicate residential, commercial, industrial, and/or other purposes as appropriate): _____.

3.2 Southwest Trench Applicant Trench Gas-only Trench Joint Trench

3.3 Appliances/Equipment to be installed and utilized, and the basis for any **allowance**, are as follows:

<i>Appliance/Equipment</i>	<i>Therms/Year</i>	<i>Allowance</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Southwest’s Total Installed Cost.

Southwest’s total installed cost of the Extension is \$ _____.

5. Non-refundable Discount Option.

For an Eligible Project, Applicant **does or** **does not** opt for the non-refundable discount option, under which Applicant would contribute (on a non-refundable basis) fifty percent (50%) of the **advance**.

6. Applicant Design Option.

Applicant **does or** **does not** opt for the Applicant Design Option contemplated in Rule No. 15.

7. Applicant Installation Option.

Applicant **does or** **does not** opt for the Applicant Installation Option contemplated in Rule No. 15.

8. Payment of Advance.

Applicant shall pay to Southwest, at least _____ days prior to the estimated commencement of construction date of _____, _____, an **advance**, which is Southwest’s total installed cost of the Extension less any **Allowance** for Eligible Projects and less any credit to which Applicant may be entitled due to Applicant **contributions** (e.g., in-kind services). Each Applicant **advance** and **contribution** shall include a tax component based on the multiplier for the Income Tax Component of Contributions and Advances set forth in the Preliminary Statements of Southwest’s California Gas Tariff.

<u>Refundable Advance</u>			<u>50% Non-Refundable Advance</u>		
Total Cost	\$	_____	Total Cost	\$	_____
Contribution		_____	Contribution		_____
Allowance		_____	Allowance		_____
Advance Required		_____	Advance Required		_____
ITCC Tax		_____	50% Discount		_____
Total Due	\$	_____	ITCC Tax		_____
Refundable	\$	_____	Non-Refundable Total	\$	_____

9. Postponement.

In the event Southwest postpones all or any portion of an **advance**, Applicant shall pay to Southwest immediately at the end of the postponement period all postponed amounts less any refund amount(s) for Eligible Projects to which Applicant is then entitled.

Amount: \$ _____ . **End of Period:** _____ , _____ .

10. Refund.

Southwest will refund to Applicant, without interest, the amount of any **refundable advance** stated in Paragraph 8 of this Agreement in accordance with the refund provisions of Rule No. 15 for Eligible Projects.

11. Payment Adjustment; Unsupported Extension Cost.

Applicant may be required to pay to Southwest additional amounts (including any required tax components) in accordance with the Payment Adjustment and Unsupported Extension Cost provisions of Rule No. 15.

12. Ownership; Easements.

12.1 The gas distribution facilities (“Subject Facilities”) will at all times be owned by Southwest.

12.2 If Applicant is the property owner, Applicant agrees: (1) to grant or otherwise provide to Southwest, without cost to Southwest, easements and rights-of-way which are adequate, in the opinion of Southwest, for the location, installation operation, maintenance, and removal of the Subject Facilities and (2) that no permanent obstructions will be placed over Southwest’s Subject Facilities and further agrees to be responsible for any and all costs associated with removing any permanent obstructions that are placed over Southwest’s Subject Facilities.

12.3 If Applicant is NOT the property owner, Applicant hereby agrees: (1) to provide written permission from the property owner(s) allowing Applicant to apply for the Subject Facilities and (2) to secure property owner(s) agreement to Section 12.2 above granting Southwest such easement and right-of-way as necessary for the provision of natural gas service.

13. California Law; Regulatory Jurisdiction.

The laws of the state of California govern the interpretation and enforcement of this Agreement. Further, this Agreement is subject to the jurisdiction of the Commission, and the Rules of Southwest on file with the Commission (to the extent they are applicable and as they may be modified from time to time) are a part of this Agreement.

14. Acknowledgment of Receipt of Copy of Agreement.

Applicant hereby acknowledges receipt of a copy of this Agreement.

15. Additional Terms and Conditions.

California Consumer Privacy Act (“CCPA”) - NOTICE AT COLLECTION

Under the CCPA, Southwest is required to notify California residents of the personal information it collects and why such information is collected. This notice applies solely to customers, users, and others who reside in the state of California. A list of the categories of personal information Southwest may collect and how such information is used can be found in Southwest’s CCPA Privacy Policy at <https://www.swgas.com/ccpa>.

Applicant

Southwest Gas Corporation

By *(please print)* _____

By *(please print)* _____

Title _____

Title _____

Signature _____

Signature _____



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	