

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 8, 2024

Advice Letter 1284-G-A

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

**SUBJECT: To update the Infrastructure Reliability and Replacement Adjustment Mechanism Rate Applicable to the GS-VIC Rate Schedule, as authorized in Decision 21-03-052**

Dear Ms. Ontiveroz;

SWG Advice Letter 1284-G-A is effective as of February 1, 2024.

Sincerely,

A handwritten signature in cursive script 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 31, 2024

## **Advice Letter No. 1284-G-A**

(U 905 G)

Public Utilities Commission of the State of California

**Subject: Supplement To Update the Infrastructure Reliability and Replacement Adjustment Mechanism Rate (IRRAM) Applicable to Schedule No. GS-VIC – City of Victorville Natural Gas Service (GS-VIC), as authorized in Decision (D.) 21-03-052**

## **Purpose**

Southwest Gas Corporation (Southwest Gas or Company) hereby submits this supplemental Advice Letter to the California Public Utilities Commission (Commission) to replace Advice Letter No. (AL) 1284 in its entirety. The tariff sheets being modified as a result of this submission are provided in Attachment A.

## **Background**

On August 30, 2019, Southwest Gas filed Application 19-08-015, requesting authority to increase rates and charges for natural gas service in California, effective January 1, 2021. On August 3, 2020, Southwest Gas, the Public Advocates Office of the Commission and the City of Victorville (COV)<sup>1</sup> filed a Joint Motion for Adoption of a Settlement Agreement resolving all outstanding issues. On March 24, 2021, the Commission issued D.21-03-052, approving the Joint Motion. Per the Settlement Agreement adopted in D.21-03-052, Southwest Gas is authorized to recover costs associated with its three risk-based decision-making programs: Targeted Pipe Replacement Program (TPRP; applicable to Southern California only), Meter Protection Program (MPP) and School Customer-Owned Yard Line (COYL) Program, through its IRRAM. Additionally, Settlement Agreement Paragraph 56 states in pertinent part:

...Victorville will only be subject to the portion of the IRRAM surcharge associated with work performed on Southwest Gas' high-pressure distribution system facilities....<sup>2</sup>

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<sup>1</sup> In early 2023, COV also informed Southwest Gas of its intention to bypass the Company and instead take natural gas service from Kern River Transmission Company. As of January 25, 2024, COV estimates that it expects to bypass Southwest Gas in late August 2024.

<sup>2</sup> D.21-03-052, Attachment A – Settlement Agreement, at pgs. 24-25.



Advice Letter No. 1284-G-A  
Page 2  
January 31, 2024

On December 14, 2023, the Energy Division approved Southwest Gas' IRRAM surcharge rate adjustments for its three risk-based programs in AL 1276, effective January 1, 2024. For Southwest Gas' Southern California rate jurisdiction, which includes Schedule No. GS-VIC – City of Victorville Natural Gas Service (GS-VIC), the approved IRRAM surcharge rate is \$0.05531. On December 29, 2023, Southwest Gas submitted AL 1284 to update the IRRAM surcharge rate applicable to GS-VIC in accordance with the Settlement Agreement Paragraph 56.

In AL 1284, Southwest Gas requested to adjust the IRRAM surcharge rate applicable to GS-VIC to \$0.05123, which included costs related to its TPRP only. The IRRAM surcharge in Southern California was only attributed to the TPRP beginning in 2022 and again in 2023, arguably entirely applicable to COV. In 2024, Southwest Gas included in the IRRAM surcharge the costs associated with its MPP. Given the level of accounting required to account for each program included in the IRRAM surcharge, including the necessary programming and accounting involved to parse out each work order project cost to develop the specific rate related to the TPRP, and coupled with the fact that COV will be bypassing Southwest Gas later this year, the Company determined that incurring the cost related to overhauling its programming and the resulting cost impact to other customers, would not be reasonable or prudent. As such, Southwest Gas allocated the IRRAM surcharge based on the amount of costs attributed to the TPRP versus the MPP. Rather, the TPRP costs are 92.62% of the total program costs included for recovery through the IRRAM surcharge. The allocation was used to derive the proposed IRRAM rate of \$0.05123 for COV included in AL 1284. The proposed rate for COV is 92.62% of the total IRRAM surcharge.

On January 18, 2024, COV submitted its protest of Southwest Gas' AL 1284 based on its contention that "analysis, calculations, or data in the advice letter contain material errors or omissions."<sup>3</sup> COV's protest requests that the Energy Division reject AL 1284, without prejudice, or extend the protest period after Southwest Gas supplements AL 1284 to provide COV's requested analysis and workpapers associated with Southwest Gas' calculation of the IRRAM surcharge.

In Southwest Gas' reply to COV's protest, the Company did not object to COV's request to extend or reopen the protest period consistent with GO 96-B General Rule 7.5.1 upon its submission of its AL 1284 supplement.

### **Southwest Gas Adjustment to IRRAM Surcharge Applicable to GS-VIC**

After additional review of the costs included in the IRRAM, Southwest Gas further isolated the costs related to the high-pressure distribution line (HP line) that serves COV.

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<sup>3</sup> See COV's Protest at pg. 2 and General Rule 7.4.2(3).



Advice Letter No. 1284-G-A  
Page 3  
January 31, 2024

Southwest Gas determined that in 2023, the HP line was entirely replaced at a total cost of \$6,840,152. There will be no additional replacement costs related to the HP line in 2024 and 2025, the remaining years of Southwest Gas' five-year general rate case cycle. Therefore, Southwest Gas calculated the IRRAM surcharge rate applicable to the COV as follows:

**Total 2023 TPRP costs:** \$29,023,075  
**HP line replacement costs:** \$6,840,152  
**% HP line costs of TPRP:** 23.57%  
**Adjusted GS-VIC 2024 IRRAM surcharge rate:**  $\$.05123 * 23.57\% = \$.01207$

Additionally, given that the HP line serving COV was replaced in 2023 and there were no replacements placed in service with respect to this HP line in calendar years 2021 or in 2022 and subsequently included in rates in 2022 and 2023, respectively, Southwest Gas will adjust COV's natural gas bill for costs recovered through the IRRAM surcharge rate for these years. These bill adjustments are as follows:

<b>Year</b>	<b>Rate</b>	<b>Total Usage</b>	<b>Total Adjustment</b>
2022	\$0.00196	2,623,319	\$5,142
2023	\$0.02148	2,578,751	\$55,392

Further, Southwest Gas will adjust COV's natural gas bill for the months of January 2024 and provide that adjustment once COV's total therm usage for January is known and final.

### **Effective Date**

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (Effective after Energy Division Disposition) pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests the revised tariff sheets be approved with rates effective February 1, 2024, the originally requested effective date in AL 1284.

### **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](mailto:edtariffunit@cpuc.ca.gov)

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



Advice Letter No. 1284-G-A  
Page 4  
January 31, 2024

Ms. Valerie J. Ontiveroz  
Regulatory Manager/California  
Email: [valerie.ontiveroz@swgas.com](mailto:valerie.ontiveroz@swgas.com)  
[regserve@swgas.com](mailto:regserve@swgas.com)

**Notice**

Pursuant to Energy Industry Rule 3.1(2), 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 D.21-03-052.

**Service**

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

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:   
Valerie J. Ontiveroz

Attachments

**Distribution List**

Advice Letter No. 1284-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](mailto:Matt.Baker@cpuc.ca.gov)

Pacific Gas & Electric Company  
[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[GLenart@socalgas.com](mailto:GLenart@socalgas.com)  
Tariffs@socalgas.com

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

Robert M. Pocta  
Public Advocates Office  
California Public Utilities Commission  
[robert.pocta@cpuc.ca.gov](mailto:robert.pocta@cpuc.ca.gov)

Nathaniel Skinner  
Public Advocates Office  
California Public Utilities Commission  
[nathaniel.skinner@cpuc.ca.gov](mailto:nathaniel.skinner@cpuc.ca.gov)

Scott Blaising  
[blaising@braunlegal.com](mailto:blaising@braunlegal.com)

Jim Mosher  
[copperbeechllc@gmail.com](mailto:copperbeechllc@gmail.com)

Kevin Johnston  
[KVNJ@yahoo.com](mailto:KVNJ@yahoo.com)

ATTACHMENT A  
Advice Letter No. 1284-G-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
203rd Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	200th Revised Sheet No. 66
75th Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	73rd and 74th Revised Sheet No. 67

**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]**

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
<b>GS-40-Core General Gas Service (Covered Entities)</b>								
Basic Service Charge	\$11.00							\$11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm								
First 100	\$ .81146	\$ .18960	\$ 1.00106	\$ .00300	\$ .22423	\$ .76395	\$ 1.99224	\$ 1.99224
Next 500	\$ .60484	.18960	.79444	.00300	.22423	.76395	1.78562	1.78562
Next 2,400	\$ .43956	.18960	.62916	.00300	.22423	.76395	1.62034	1.62034
Over 3,000	\$ .25837	.18960	.44797	.00300	.22423	.76395	1.43915	1.43915
<b>GS-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .17683	\$ .35611	\$ .53294	\$ .00300	\$ .22423	\$ .76395	\$ 1.52412	\$ 1.52412
<b>GS-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .27811	\$ .35611	\$ .63422	\$ .00300	\$ .22423	\$ .76395	\$ 1.62540	\$ 1.62540
<b>GS-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .38998	\$ .35611	\$ .74609	\$ .00300		\$ .76395	\$ 1.51304	\$ 1.51304
<b>GS-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$100.00							\$100.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm	\$ .19263	\$ .26129	\$ .45392	\$ .00300	\$ .22423		\$ .68115	\$ .68115
<b>GS-VIC City of Victorville Gas Service</b>								
Basic Service Charge	\$11.00							\$ 11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm	\$ .16966	\$ .28834	\$ .45800	\$ .00300		\$ .76395	\$ 1.22495	\$ 1.22495
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm								\$ .00653
<b>TDS – Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm								\$ .00390
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
MHPS Surcharge per Space per Month								\$ .21000



STATEMENT OF RATES  
 RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.51%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GS-10, GS-11, GS-12, GS-15, GS-20, GS-25, GS-35,	GS-40 (non- Covered Entities), GS-50, GS-60, GS-66	GS-40, (Covered Entities)	GS-70	GS-VIC
<b>Upstream Intrastate Charges</b>					
Storage	\$ .03163		\$ .03163		\$ .03163
Variable	.08963		.08963	\$ .08963	.08963
Upstream Interstate Reservation Charges	.06246		.06246		.06246
IRRAM Surcharge	.05531		.05531	.05531	.01207
<b>Balancing Account Adjustments</b>					
FCAM*	( .12109)		( .12109)	( .12182)	( .12109)
ITCAM	.01453		.01453	.01453	.01453
<b>GHGBA**</b>					
Non-Covered Entities [a]	.16760			.16760	.16760
Covered Entities [a]			.00109		
NERBA	.00026		.00026	.00026	
NGLAPBA	.01560		.01560	.01560	
MHPCBA	.00867		.00867	.00867	
CDMIBA	.01405		.01405	.01405	.01405
RUBA	.01746		.01746	.01746	.01746
<b>Total Charges and Adjustments</b>	<b>\$ .35611</b>		<b>\$ .18960</b>	<b>\$ .26129</b>	<b>\$ .28834</b>

\* The FCAM surcharge includes an amount of \$(.12182) per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

\*\* Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

**SOUTHWEST GAS CORPORATION  
INFRASTRUCTURE RELIABILITY AND REPLACEMENT ADJUSTMENT MECHANISM (IRRAM)  
SOUTHERN CALIFORNIA DIVISION  
EFFECTIVE FEBRUARY 1, 2024**

Line No.	Description (a)	Percent (b)	Amount (c)	Line No.
1	IRRAM Balancing Account Balance Before Franchise and Uncollectibles [1]		\$ 5,524,673	1
2	Franchise and Uncollectibles Rate [2]	1.5925%	87,980	2
3	Revenue Requirement After Franchise and Uncollectibles		<u>\$ 5,612,653</u>	3
4	Applicable Volumes (therms) [3]		101,478,575	4
5	Rate Applicable to all Rate Schedules excluding GS-VIC [4]		<u>\$ 0.05531</u>	5
6	Allocated Portion Applicable to Targeted Pipe Replacement Only	92.62%		6
7	Rate Applicable to Targeted Pipe Replacement		<u>0.05123</u>	7
6	Allocated Portion Applicable to to GS-VIC Only	23.57%		6
7	Rate Applicable to GS-VIC [5]		<u>0.01207</u>	7

[1] O&M and Capital costs incurred through September 30, 2023.

[2] Authorized by the Commission in D.21-03-052.

[3] Total throughput for twelve-month forecast period ended December 31, 2024.

**Workpaper to Advice Letter No. 1284-A**

IRRAM Program	2023 Net Activity	Percent
IRRAM METER PROTECTION - EFVS	\$ 1,560	0.04%
IRRAM METER PROTECTION - ENHANCED ERTS	\$ 3,704	0.09%
IRRAM METER PROTECTION - METER SHEDS	\$ 294,224	7.25%
IRRAM TARGETED REPL PRE 61 DIST STEEL	\$ 3,760,665	92.62%
<b>Total 2023</b>	<b>\$ 4,060,153</b>	<b>100.00%</b>

Allocated Portion Applicable to GS-VIC Only	
High Pressure Vintage Steel Pipe Only	\$ 6,840,152
Total Targeted Pipe Replacement	\$ 29,023,075
<b>Percentage</b>	<b>23.57%</b>

Year Type	Amount
<b>2021</b>	
Blanket	\$ 444,230
Vintage Steel Pipe	\$ 2,935,348
M7000	\$ 11,635,987
<b>Total 2021</b>	<b>\$ 15,015,564</b>
<b>2022</b>	
Blanket	\$ 343,663
Vintage Steel Pipe	\$ 3,132,670
M7000	\$ 13,736,300
<b>Total 2022</b>	<b>\$ 17,212,633</b>
<b>2023</b>	
Blanket	\$ 67,452
Vintage Steel Pipe	\$ 6,047,353
M7000	\$ 16,068,118
High Pressure Vintage Steel Pipe	\$ 6,840,152
<b>Total 2023</b>	<b>\$ 29,023,075</b>
<b>GRAND TOTAL</b>	<b>\$ 61,251,272</b>

2023 Month Type	Amount
<b>January</b>	
Blanket	\$ 7,027
Vintage Steel Pipe	\$ 208,657
M7000	\$ (128,730)
High Pressure Vintage Steel Pipe	\$ 414,216
<b>Total January</b>	<b>\$ 501,171</b>
<b>February</b>	
Blanket	\$ 11,630
Vintage Steel Pipe	\$ 220,500
M7000	\$ 671,623
High Pressure Vintage Steel Pipe	\$ 4,783
<b>Total February</b>	<b>\$ 908,536</b>
<b>March</b>	
Blanket	\$ 31,558
Vintage Steel Pipe	\$ 434,585
M7000	\$ 2,597,943
High Pressure Vintage Steel Pipe	\$ 439,755
<b>Total March</b>	<b>\$ 3,503,841</b>
<b>April</b>	
Blanket	\$ (14,896)
Vintage Steel Pipe	\$ 25,771
M7000	\$ 1,530,378
High Pressure Vintage Steel Pipe	\$ 380,767
<b>Total April</b>	<b>\$ 1,922,019</b>
<b>May</b>	
Blanket	\$ (38,012)
Vintage Steel Pipe	\$ 636,026
M7000	\$ 1,723,914
High Pressure Vintage Steel Pipe	\$ 1,616,106
<b>Total May</b>	<b>\$ 3,938,034</b>
<b>June</b>	
Blanket	\$ 29,274
Vintage Steel Pipe	\$ 1,050,952
M7000	\$ 1,518,438
High Pressure Vintage Steel Pipe	\$ 1,336,862
<b>Total June</b>	<b>\$ 3,935,526</b>
<b>July</b>	
Blanket	\$ 2,925
Vintage Steel Pipe	\$ 854,919
M7000	\$ 868,237
High Pressure Vintage Steel Pipe	\$ (59,132)
<b>Total July</b>	<b>\$ 1,666,948</b>
<b>August</b>	
Blanket	\$ 3,122
Vintage Steel Pipe	\$ 456,079
M7000	\$ 1,008,838
High Pressure Vintage Steel Pipe	\$ 2,693,753
<b>Total August</b>	<b>\$ 4,161,792</b>
<b>September</b>	
Blanket	\$ 2,277
Vintage Steel Pipe	\$ 716,291
M7000	\$ 1,068,473
High Pressure Vintage Steel Pipe	\$ 11,215
<b>Total September</b>	<b>\$ 1,798,256</b>
<b>October</b>	
Blanket	\$ 4,791
Vintage Steel Pipe	\$ 173,940
M7000	\$ 774,133
High Pressure Vintage Steel Pipe	\$ 379
<b>Total October</b>	<b>\$ 953,243</b>
<b>November</b>	
Blanket	\$ 7,754
Vintage Steel Pipe	\$ 326,477
M7000	\$ 1,570,700
High Pressure Vintage Steel Pipe	\$ 838
<b>Total November</b>	<b>\$ 1,905,769</b>
<b>December</b>	
Blanket	\$ 20,002
Vintage Steel Pipe	\$ 943,155
M7000	\$ 2,864,172
High Pressure Vintage Steel Pipe	\$ 611
<b>Total December</b>	<b>\$ 3,827,940</b>
<b>GRAND TOTAL</b>	<b>\$ 29,023,075</b>



# 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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto: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

December 29, 2023

## **Advice Letter No. 1284-G**

(U 905 G)

Public Utilities Commission of the State of California

**Subject: To update the Infrastructure Reliability and Replacement Adjustment Mechanism Rate Applicable to Schedule No. GS-VIC – City of Victorville Natural Gas Service (GS-VIC), as authorized in Decision 21-03-052**

Southwest Gas Corporation (Southwest Gas) 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 listed on Attachment A.

## **Purpose**

The purpose of this submission is to adjust Southwest Gas' Infrastructure Reliability and Replacement Adjustment Mechanism (IRRAM) surcharge rate applicable to its GS-VIC rate schedule in accordance with the Settlement Agreement approved in Decision (D.) 21-03-052.

## **Background**

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...Victorville will only be subject to the portion of the IRRAM surcharge associated with work performed on Southwest Gas' high-pressure distribution system facilities....<sup>2</sup>

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<sup>2</sup> D.21-03-052, Attachment A – Settlement Agreement, at pgs. 24-25.



Advice Letter No. 1284-G  
Page 2  
December 29, 2023

On December 14, 2023, the Energy Division approved Southwest Gas' IRRAM surcharge rate adjustments for its three risk-based programs in Advice Letter No. 1276, effective January 1, 2024. For Southwest Gas' Southern California rate jurisdiction, which includes GS-VIC, the approved IRRAM surcharge rate is \$0.05531.

### **IRRAM Surcharge Rate Adjustment Applicable to GS-VIC**

Southwest Gas adjusts its IRRAM rate to recover the balance associated with the TPRP only, which includes work performed on Southwest Gas' high-pressure distribution system facilities. The IRRAM rate applicable to GS-VIC is \$0.05123.

### **Effective Date**

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (Effective after Energy Division Disposition) pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests the revised tariff sheets be approved January 30, 2024, which is thirty (30) days from the date submitted, with an effective date of February 1, 2024.

### **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](mailto: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](mailto:valerie.ontiveroz@swgas.com)  
[regserve@swgas.com](mailto:regserve@swgas.com)

### **Notice**

Pursuant to Energy Industry Rule 3.1(2), 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 D.21-03-052.

### **Service**





Advice Letter No. 1284-G  
Page 3  
December 29, 2023

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

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:   
Valerie J. Ontiveroz

Attachments

**Distribution List**

Advice Letter No. 1284-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](mailto:Matt.Baker@cpuc.ca.gov)

Pacific Gas & Electric Company  
[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[GLenart@socalgas.com](mailto:GLenart@socalgas.com)  
Tariffs@socalgas.com

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

Robert M. Pocta  
Public Advocates Office  
California Public Utilities Commission  
[robert.pocta@cpuc.ca.gov](mailto:robert.pocta@cpuc.ca.gov)

Nathaniel Skinner  
Public Advocates Office  
California Public Utilities Commission  
[nathaniel.skinner@cpuc.ca.gov](mailto:nathaniel.skinner@cpuc.ca.gov)

Scott Blaising  
[blaising@braunlegal.com](mailto:blaising@braunlegal.com)

Jim Mosher  
[copperbeecllc@gmail.com](mailto:copperbeecllc@gmail.com)

Kevin Johnston  
[KVNJ@yahoo.com](mailto:KVNJ@yahoo.com)

ATTACHMENT A  
Advice Letter No. 1284-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
200th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	198th Revised Sheet No. 66
74th Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	72nd Revised Sheet No. 67

**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]**

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
<u>GS-40-Core General Gas Service (Covered Entities)</u>								
Basic Service Charge	\$11.00							\$11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm								
First 100	\$ .81146	\$ .18960	\$ 1.00106	\$ .00300	\$ .22423	\$ .76395	\$ 1.99224	
Next 500	\$ .60484	.18960	.79444	.00300	.22423	.76395	1.78562	
Next 2,400	\$ .43956	.18960	.62916	.00300	.22423	.76395	1.62034	
Over 3,000	\$ .25837	.18960	.44797	.00300	.22423	.76395	1.43915	
<u>GS-50-Core Natural Gas Service for Motor Vehicles</u>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .17683	\$ .35611	\$ .53294	\$ .00300	\$ .22423	\$ .76395	\$ 1.52412	
<u>GS-60-Core Internal Combustion Engine Gas Service</u>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .27811	\$ .35611	\$ .63422	\$ .00300	\$ .22423	\$ .76395	\$ 1.62540	
<u>GS-66-Core Small Electric Power Generation Gas Service</u>								
Basic Service Charge	\$25.00							\$25.00
Cost per Therm	\$ .38998	\$ .35611	\$ .74609	\$ .00300		\$ .76395	\$ 1.51304	
<u>GS-70-Noncore General Gas Transportation Service</u>								
Basic Service Charge	\$100.00							\$100.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm	\$ .19263	\$ .26129	\$ .45392	\$ .00300	\$ .22423		\$ .68115	
<u>GS-VIC City of Victorville Gas Service</u>								
Basic Service Charge	\$11.00							\$ 11.00
Transportation Service Charge	\$780.00							\$780.00
Cost per Therm	\$ .16966	\$ .32750	\$ .49716	\$ .00300		\$ .76395	\$ 1.26411	
<u>TFF-Transportation Franchise Fee Surcharge Provision</u>								
TFF Surcharge per Therm								\$ .00653
<u>TDS – Transportation Distribution System Shrinkage Charge</u>								
TDS Charge per Therm								\$ .00390
<u>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</u>								
MHPS Surcharge per Space per Month								\$ .21000

**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]**

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.51%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GS-10, GS-11, GS-12, GS-15, GS-20, GS-25, GS-35,	GS-40 (non- Covered Entities), GS-50, GS-60, GS-66	GS-40, (Covered Entities)	GS-70	GS-VIC
<b>Upstream Intrastate Charges</b>					
Storage	\$ .03163		\$ .03163		\$ .03163
Variable	.08963		.08963	\$ .08963	.08963
Upstream Interstate Reservation Charges	.06246		.06246		.06246
IRRAM Surcharge	.05531		.05531	.05531	.05123
<b>Balancing Account Adjustments</b>					
FCAM*	( .12109)		( .12109)	( .12182)	( .12109)
ITCAM	.01453		.01453	.01453	.01453
<b>GHGBA**</b>					
Non-Covered Entities [a]	.16760			.16760	.16760
Covered Entities [a]			.00109		
NERBA	.00026		.00026	.00026	
NGLAPBA	.01560		.01560	.01560	
MHPCBA	.00867		.00867	.00867	
CDMIBA	.01405		.01405	.01405	.01405
RUBA	.01746		.01746	.01746	.01746
<b>Total Charges and Adjustments</b>	<b>\$ .35611</b>		<b>\$ .18960</b>	<b>\$ .26129</b>	<b>\$ .32750</b>

\* The FCAM surcharge includes an amount of \$(.12182) per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

\*\* Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

**SOUTHWEST GAS CORPORATION  
INFRASTRUCTURE RELIABILITY AND REPLACEMENT ADJUSTMENT MECHANISM (IRRAM)  
SOUTHERN CALIFORNIA DIVISION  
EFFECTIVE FEBRUARY 1, 2024**

Line No.	Description (a)	Percent (b)	Amount (c)	Line No.
1	IRRAM Balancing Account Balance Before Franchise and Uncollectibles [1]		\$ 5,524,673	1
2	Franchise and Uncollectibles Rate [2]	1.5925%	87,980	2
3	Revenue Requirement After Franchise and Uncollectibles		<u>\$ 5,612,653</u>	3
4	Applicable Volumes (therms) [3]		101,478,575	4
5	Rate Applicable to all Rate Schedules excluding GS-VIC [4]		<u>\$ 0.05531</u>	5
6	Portion Applicable to Targeted Pipe Replacement Only	92.62%		6
7	Rate Applicable to GS-VIC [5]		<u>0.05123</u>	7

[1] O&M and Capital costs incurred through September 30, 2023.

[2] Authorized by the Commission in D.21-03-052.

[3] Total throughput for twelve-month forecast period ended December 31, 2024.

[4] Approved in Advice Letter 1276, effective January 1, 2024.

[5] Per D.21-03-052, GS-VIC is only subject to the portion of the IRRAM surcharge associated with work performed on Southwest Gas' high-pressure distribution system facilities.



# 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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto: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	