



# SOUTHWEST GAS CORPORATION

July 28, 2023

**Advice Letter No. 1267-G**

(U 905 G)

Public Utilities Commission of the State of California

**Subject: Request for Authorization to Make an Accounting Entry to Reflect Shared Savings Associated with Southwest Gas’ Gas Cost Incentive Mechanism (GCIM).**

Southwest Gas Corporation (Southwest Gas) hereby submits for approval by the California Public Utilities Commission (Commission) this Advice Letter. There are no tariff sheets being modified as a result of this submission.

**Background**

In May 2005, the Commission approved Southwest Gas’ GCIM<sup>1</sup> as an objective standard by which to measure Southwest Gas’ natural gas procurement performance, provide an incentive to lower overall gas costs, and provide a mechanism for sharing the achieved benefits between Southwest Gas and its customers. The annual GCIM period begins each November 1 and concludes the following October 31. The GCIM is calculated separately for Southwest Gas’ Southern California and Northern California service territories. On January 29, 2021, Southwest Gas submitted its GCIM Report for the period November 1, 2019, through October 31, 2020 (2019-2020 GCIM Report).

Shared savings of \$2,143,888.71 and \$657,727.18 were experienced in Southwest Gas’ Northern and Southern California service territories, respectively. In accordance with Preliminary Statement (PS) 17, Section E.2.c of Southwest Gas’ California Gas Tariff, these savings are to be shared 75 percent and 25 percent between Southwest Gas’ customers and shareholders, respectively. The following table demonstrates the breakdown of the shared savings.

**Shared Savings for 2019-2020 GCIM Reporting Period**

<b>Service Territory</b>	<b>Total Savings</b>	<b>Customers (75%)</b>	<b>Shareholders (25%)</b>
Northern California	\$2,143,888.71	\$1,982,249.50	\$161,639.21 <sup>2</sup>
Southern California	\$657,727.18	\$493,259.39	\$164,431.80

<sup>1</sup> Application of Southwest Gas Corporation for Approval of a Gas Cost Incentive Mechanism (Application 04-11-009) was approved by the Commission in Decision 05-05-033.

<sup>2</sup> Pursuant to PS 17, Section 17E.2.d, Southwest Gas’ shareholders portion of shared savings are capped at 1.5 percent of the total commodity cost for each service territory. Accordingly, the shareholder portion of \$161,639.21 represents 1.5 percent of Southwest Gas Northern California commodity cost of \$10,775,947.57.



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On June 23, 2023, the Public Advocates Office (Cal Advocates) issued its Monitoring and Evaluation Report regarding Southwest Gas' 2019-2020 GCIM Report. In its report, Cal Advocates verified Southwest Gas' reported shared savings for the 2019-2020 GCIM reporting period. Therefore, Southwest Gas requests authority to make an accounting entry in its Purchased Gas Cost Balancing Account for the shareholder portion of the savings applicable to its Northern and Southern California service territories pursuant to Southwest Gas Tariff PS 17, Section I.

### **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 approval) pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests that this Advice Letter be made effective August 27, 2023, which is thirty (30) calendar days after 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](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**

Southwest Gas believes it is exempt from the notice requirements set forth in General Rule 4.2 of GO 96-B, since this Advice Letter is being filed in accordance with Southwest Gas approved tariff as noted above.

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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 the utilities and interested parties shown on the attached distribution list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:   
Valerie J. Ontiveroz

Attachments

## **Distribution List**

Advice Letter No. 1267-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](mailto:Tariffs@socalgas.com)

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

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California Public Utilities Commission  
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Kevin Johnston  
[KVNJ@yahoo.com](mailto:KVNJ@yahoo.com)



# 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	