December 27, 2024

Advice Letter No. 1321-G

(U 905 G)

Public Utilities Commission of the State of California

<u>Subject</u>: 2025 Post-Test Year Margin Adjustment to include the North Lake Tahoe Lateral Replacement Project, Authorized in Decision 21-03-052.

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 is listed in Attachment A.

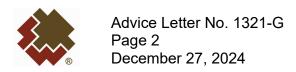
Purpose

The purpose of this submission is to include an adjustment to Southwest Gas' 2025 Post Test-Year Margin (PTYM) to recover costs associated with the Company's North Lake Tahoe Lateral Replacement Project (NLTL Project) authorized in Decision (D.) 21-03-052, which approved Southwest Gas' Test Year 2021 General Rate Case (Application (A.) 19-08-015). This adjustment is for rates applicable to Southwest Gas' Northern California rate jurisdiction only.

Background

On August 30, 2019, Southwest Gas filed A.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 filed a Joint Motion for Adoption of 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, once each phase of the NLTL Project is placed into service and operational, Southwest Gas will calculate the associated revenue requirement for each phase and include that revenue requirement in rates as a PTYM adjustment through the Advice Letter process.



Southwest Gas Adjustment to Its 2025 PTYM for the NLTL Project

In accordance with D.21-03-052, Southwest Gas submitted Advice Letter No. 1312 on November 19, 2024, which sets forth its 2025 PTYM adjustments for its three rate jurisdictions, including Northern California. Through this instant Advice Letter, Southwest Gas seeks to increase its 2025 PTYM adjustment of \$1,939,541 applicable to its Northern California rate jurisdiction to include \$3,607,989 for the revenue requirement associated with NLTL Project. This results in an overall 2025 PTYM adjustment of \$5,547,530 for Northern California. Southwest Gas will include the NLTL Project revenue requirement in rates effective February 1, 2025. The calculation of the 2025 PTYM revenue requirement is included in the schedule provided in Attachment B.

Residential Gas Rate and Bill Impact

On May 8, 2020, the Energy Division issued a standing data request to all energy utilities requiring detailed rate and bill impacts (utilizing the provided template) for any Advice Letter that requests the implementation of a rate change (i.e., margin adjustment, annual balancing account update, etc.). The bill impact is provided in Attachment C.

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 this Advice Letter be approved January 27, 2024, which is thirty (30) days from the date submitted, with an effective date of February 1, 2025.

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



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Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is being 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 distribution list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

Valerie J. Ontiveroz

Attachments

Distribution List

Advice Letter No. 1321-G

In conformance with GO 96-B, General Rule 4.3

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

Linda Serizawa, Director
Public Advocates Office
California Public Utilities Commission
Linda.Serizawa@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

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

Scott Blaising blaising@braunlegal.com

Jim Mosher copperbeechlic@gmail.com

ATTACHMENT A Advice Letter No. 1321-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
20th Revised Sheet No. 18	Preliminary Statement (Continued)	18th Revised Sheet No. 18
213th Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	211th Revised Sheet No. 68
215th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	213th Revised Sheet No. 69

Las Vegas, Nevada 89193-8510 California Gas Tariff

_	20th Revised	Cal. P.U.C. Sheet No.	18
Canceling	18th Revised	Cal. P.U.C. Sheet No.	18

PRELIMINARY STATEMENT (Continued)

- 9. FIXED COST ADJUSTMENT MECHANISM (FCAM) (Continued)
 - 9F. ACCOUNTING PROCEDURE (Continued)

ANNUAL 2025 MARGIN

	Southern California	Northern California	South Lake Tahoe				
January	\$ 11,396,786	\$ 3,908,424	\$ 1,975,379				
February	\$ 9,929,707	\$ 4,124,872	\$ 1,767,482				
March	\$ 9,010,525	\$ 3,963,650	\$ 1,670,271				
April	\$ 7,447,780	\$ 3,302,394	\$ 1,402,259				
May	\$ 6,593,174	\$ 2,604,664	\$ 1,140,659				
June	\$ 6,175,722	\$ 2,197,930	\$ 934,548				
July	\$ 5,815,011	\$ 1,846,136	\$ 801,203				
August	\$ 4,113,924	\$ 1,172,108	\$ 519,017				
September	\$ 5,817,663	\$ 1,876,584	\$ 815,537				
October	\$ 6,061,860	\$ 2,203,639	\$ 992,702				
November	\$ 7,134,248	\$ 2,885,355	\$ 1,345,412				
December	\$ 9,667,718	\$ 4,065,375	\$ 1,761,500				
Total	\$ 89,164,118	\$ 34,151,131	\$ 15,125,969				

2. An entry to record interest on the Fixed Cost Balancing Account balance after entry (1) above, calculated as set forth in Section 12B of this Preliminary Statement.

Advice Letter No. 1321 Amy L. Timperley Effective Decision No. 21-03-052 Chief Regulatory Officer Resolution No. 21-03-052

Т

California Gas Tariff

213th Revised Cal. P.U.C. Sheet No. 68
211th Revised Cal. P.U.C. Sheet No. 68

STATEMENT OF RATES RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

Canceling

Schedule No. and Type of Charge	Margin		narges [3] and justments	Subtotal Gas Usage Rate		Other Su	rcha	arges PPP	G	Sas Cost	Effective Sales Rate	
			,	_ oougo : tato		0. 00						1
GN-10-Residential Gas Service Basic Service Charge	\$5.75										\$5.75	
Cost per Therm Baseline Quantities Tier II	\$1.24762 1.37285	\$.20663 .20663	\$ 1.45425 1.57948	\$.00100 .00100	\$.05887 .05887	\$.48180 .48180	\$1.99592 2.12115	
GN-12-CARE Residential Gas Service												
Basic Service Charge Cost per Therm	\$4.00										\$4.00	
Baseline Quantities Tier II	\$.86041 .96059	\$.20663 .20663	\$1.06704 1.16722	\$.00100 .00100	\$.04255 .04255	\$.48180 .48180	\$1.59239 1.69257	
GN-15-Secondary Residential Gas Service	_											
Basic Service Charge Cost per Therm	\$6.00 \$1.51565	\$.20663	\$1.72228	\$.00100	\$.05887	\$.48180	\$6.00 \$2.26395	ı
GN-20-Multi-Family Master-Metered Gas Service												
Basic Service Charge Cost per Therm	\$25.00										\$25.00	
Baseline Quantities Tier II	\$1.24762 1.37285	\$.20663 .20663	\$ 1.45425 1.57948	\$.00100 .00100	\$.05887 .05887	\$.48180 .48180	\$1.99592 2.12115	
GN-25-Multi-Family Master-Metered Gas Service-Submetered												
Basic Service Charge	\$25.00										\$25.00	
Cost per Therm Baseline Quantities	\$1.24762	\$.20663	\$1.45425	\$.00100	\$.05887	\$.48180	\$1.99592	l۱
Tier II	1.37285	Ψ.	.20663	1.57948	*	.00100	Ψ	.05887	*	.48180	2.12115	i
Submetered Discount per Occupied Space	(\$ 9.33)										(\$ 9.33)	
GN-35-Agriculture Employee Housing & Nonprofit Group Living Facility Gas Service	_											
Basic Service Charge Cost per Therm	\$ 8.80										\$ 8.80	
First 100	\$.68580	\$.20663	\$.89243	\$.00100	\$.04255	\$.48180	\$1.41778	Ţ
Next 500 Next 2,400	.47346 .29308		.20663 .20663	.68009 .49971		.00100 .00100		.04255 .04255		.48180 .48180	1.20544 1.02506	ľ
Over 3,000	.02399		.20663	.23062		.00100		.04255		.48180	.75597	li
GN-40-Core General Gas Service (non-Covered Entities)												
Basic Service Charge Transportation Service Charge	\$11.00 \$780.00										\$11.00 \$780.00	
Cost per Therm												
First 100	\$1.02936	\$.20663	\$1.23599	\$.00100	\$.05887	\$.48180	\$1.77766	l!
Next 500 Next 2,400	.76393 .53846		.20663 .20663	.97056 .74509		.00100 .00100		.05887 .05887		.48180 .48180	1.51223 1.28676	ľ
Over 3,000	.20210		.20663	.40873		.00100		.05887		.48180	.95040	į.

		Issued by	Date Filed <u>December 27, 2024</u>
Advice Letter No.	1321	Amy L. Timperley	Effective
Decision No.	21-03-052	Chief Regulatory Officer	Resolution No.

SOUTHWEST GAS CORPORATION P.O. Box 98510

Las Vegas, Nevada 89193-8510 California Gas Tariff Canceling 215th Revised 213th Revised

Cal. P.U.C. Sheet No. _ Cal. P.U.C. Sheet No. _

o. <u>69</u> o. 69

STATEMENT OF RATES RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

		С	harges [3]	0.			041	1					·	
	Margin	Δα	and djustments		ıbtotal Gas sage Rate		Other Su CPUC	rcr	<u>iarges</u> PPP	(Gas Cost		fective es Rate	
GN-40-Core General Gas Service	Margin	710	ajustificitis	<u> </u>	sage reace		01 00				343 0031	Oai	cs rtate	•
(Covered Entities)														
Basic Service Charge	_ \$11.00											\$ '	11.00	
Transportation Service Charge	\$780.00												80.00	
Cost per Therm														ı
First 100	\$1.02936	\$.04012	\$	1.06948	\$.00100	\$.05887	\$.48180	\$1	.61115	ı
Next 500	.76393		.04012		.80405		.00100		.05887		.48180		.34572	I
Next 2,400	.53846		.04012		.57858		.00100		.05887		.48180		.12025	П
Over 3,000	.20210		.04012		.24222		.00100		.05887		.48180		.78389	I
GN-50-Core Natural Gas Service for Motor Vehicles														
Basic Service Charge	\$ 25.00											\$ 1	25.00	ı
Cost per Therm	\$.04752	\$.20663	\$.25415	\$.00100	\$	05887	\$.48180	*	.79582	h
Cock poir Friedmi	ψ .01702	Ψ	.20000	Ψ	.20110	Ψ	.00100	Ψ	.00001	Ψ	. 10 100	Ψ	., 0002	ľ
GN-60-Core Internal Combustion Engine Gas														
Service	_													ı
Basic Service Charge	\$ 25.00												25.00	
Cost per Therm	\$ 2.35960	\$.20663	\$	2.56623	\$.00100	\$.05887	\$.48180	\$ 3	3.10790	I
GN-66-Core Small Electric Power Generation														
Gas Service														
Basic Service Charge	\$ 25.00											\$:	25.00	
Cost per Therm	\$ 2.35960	\$.20663	\$	2.56623	\$.00100			\$.48180		3.04903	h
·	,	•		•		·				·				
GN-70-Noncore General Gas Transportation														ı
Service												_		ı
Basic Service Charge	\$ 100.00												100.00	ı
Transportation Service Charge	\$ 780.00	Φ.	07004	Φ.	40000	Φ.	00400	Φ.	05007				780.00	I.
Cost per Therm	\$.41989	\$.07931	\$.49920	\$.00100	Ъ	.05887			\$.55907	ľ
TFF-Transportation Franchise Fee Surcharge														
Provision														ı
TFF Surcharge per Therm	_											\$.01099	ı
TDS – Transportation Distribution System														
Shrinkage Charge														ı
TDS Charge per Therm	_											\$.00361	h
· ·												Ψ.		ľ
MHPS-Master-Metered Mobile Home Park														l
Safety Inspection Provision MHPS Surcharge per Space per Month	_											Ф	.21000	l
with 5 Surcharge per Space per Month												φ	.2 1000	l
														1

		Issued by	Date Filed December 27, 2024
Advice Letter No.	1321	Amy L. Timperley	Effective
Decision No.	21-03-052	Chief Regulatory Officer	Resolution No.

SOUTHWEST GAS CORPORATION **NORTHERN CALIFORNIA** 2025 POST-TEST YEAR ADJUSTED AUTHORIZED MARGIN

Line No.		_	2024 (f)	 2025 (f)	Line No.
1	Previous Year's Authorized Margin	\$	22,759,916	\$ 28,603,602	1
2	Post-Test Year Adjustment Percent [1]		2.75%	2.75%	2
3	Post-Test Year Adjustment Dollars	\$	625,898	\$ 786,599	3
4	Authorized Margin [1]	\$	23,385,813	\$ 29,390,201	4
5	ATM Cost of Capital Adjustment [3]	\$	667,334	\$ 0	5
6	EADIT Adjustment	\$	(135,154)	\$ 1,152,942	6
7	North Lake Tahoe Lateral Adjustment [1] [2]		4,685,609	3,607,989	
8	Adjusted Authorized Margin [3]	\$	28,603,602	\$ 34,151,131	8
9	Adjusted Percent Increase Including EADIT and North Lake Tahoe Lateral		25.68%	 19.39%	9

^[1] Approved by Commission in D.21-03-052.
[2] The ATM was triggered for the twelve-month period ending September 2024.
[3] Slight differences are attributed to rounding.

SOUTHWEST GAS CORPORATION NORTHERN CALIFORNIA RATE JURISDICTION CALCULATION OF REVENUES BY CLASS AT AUTHORIZED RATES TEST YEAR TWELVE MONTHS ENDED DECEMBER 31, 2025

,303
03 \$ 5.75 \$ 1,134,303
9.73 ¢ 1,154,505
0/2,/61 21-
Commodity Charge

26	Core Natural Gas Service for Motor Vehicles Basic Service Charge	GN-50	36		\$ 25.00	↔	006	↔	25.00	↔	006			26
27 28	Continuoury Criarge All Usage Total Core Natural Gas Service for Motor Vehicles		36	181,069	\$ 0.04194	မ	7,594 8,494	⊕	0.04752	↔ ↔	8,604	€	9,504	27 28
29	Core Internal Combustion Engine Gas Service Basic Service Charge	09-N5	24		\$ 25.00	↔	009	↔	25.00	↔	009			59
30	Continuouty Chaige All Usage Total Core Internal Combustion Engine Gas Service		24	202	\$ 1.79296	မ မ	362	↔	2.35960	\$ \$	477	€	1,077	30
32	Core Small Electric Power Generation Gas Service Basic Service Charge	99-N5	0		\$ 25.00	↔	0	↔	25.00	↔	0			32
88 8	Continuoury Criatge All Usage Total Core Small Electric Power Generation Gas Service		0	0 0	\$ 1.79296	မ	0 0	€	2.35960	\$ \$	0 0			33 34
35 36	Noncore General Gas Transportation Service Basic Service Charge Transportation Service Charge	GN-70	408 420		\$ 100.00 \$ 780.00	↔ ↔	40,800 318,240	↔ ↔	100.00 780.00	& & 7 E	40,800 318,240			35 36
37 38	Commodity Charge All Usage Total Noncore General Gas Transportation Service		408	989,670	\$ 0.33668	€ €	333,202 692,242	↔	0.41989	\$ 41	415,553 774,593	\$ 77.	774,590	37 38
39	Total All Schedules	·	336,145	27,256,165		€	30,329,421			\$ 33,93	33,937,516			39
40	Other Operating Revenues					€	213,696			\$	213,696			40
4	Special Contract Gas Service	GN-T				↔	0			↔	0			4
42	Total FCAM Margin					↔	30,543,117			\$ 34,15	34,151,212			42
43	Total Authorized Margin [2]					↔	30,543,143			\$ 34,15	34,151,131			43
4	Over / (Under)					↔	(26)			\$	80			44
45	PTYR Escalation Rate										1.1190			45

[1] Statement of Rates Authorized Margin Rates D.21-03-052. [2] Schedule 1, Sheet 5 of 10.

ADVICE LETTER NO. 1321-G ATTACHMENT C

Bill Impact

Northern California

Residential Gas Rate and Bill Impacts of Rate Change Sought in Advice Letter (AL) 1321 AL Effective Date: 02/01/2025

	F	resent Rates			Proposed F	Rates	Cha	inges	7	
		Average	12/1/2024		Proposed	2/1/2025	Revenue	Rate	% Rate	Decisions / Resolutions
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change	authorizing
	Mth [4]	\$/therm [1]	\$000's	Mth [4]	\$/therm [2][3]	\$000's	\$000's	\$/therm	%	rate change
Non-CARE Residential Customers										
Basic Service Charge	\$ 5.75		5.75	\$ 5.75		\$ 5.75				
Usage Rate	68.46	1.30829	89.57	68.46	1.45425	99.56				[2]
PPP and CPUC	68.46	0.05987	4.10	68.46	0.05987	4.10				[2]
Gas Cost	68.46	0.48180	32.98	68.46	0.48180	32.98				
Average Monthly Residential Gas Bill $\$$ (1)		\$ 1.84996	\$ 132.40		\$ 1.99592	\$ 142.39	\$ 9.99			
Average Monthly Residential Bill Increase or Decrease (\$)								\$ 0.14596		
Average Monthly Residential Bill Increase or Decrease (%)									7.55%	
CARE Residential Customers										
Basic Service Charge	\$ 4.00		4.00	\$ 4.00		\$ 4.00				
Usage Rate	55.12	0.95027	52.38	55.12	1.067038	58.82				[2]
PPP and CPUC	55.12	0.04355	2.40	55.12	0.04355	2.40				[2]
Gas Cost	55.12	0.48180	26.56	55.12	0.48180	26.56				
Average Monthly Residential Gas Bill \$ (1)		\$ 1.47562	\$ 85.34		\$ 1.59239	\$ 91.78	\$ 6.44			
Average Monthly Residential Bill Increase or Decrease (\$)								\$ 0.11677		
Average Monthly Residential Bill Increase or Decrease (%)									7.54%	

Notes

- [1] The present Usage Rates include the 2025 Margin Adjustment proposed in AL 1312 and adjustments and gas cost charges as of December 1, 2024 (AL 1316).
- [2] The proposed Usage Rates include the 2025 North Tahoe Lateral Margin Adjustment proposed in AL 1318.
- [3] The present and proposed volumes are the average CARE and Non-CARE throughput for twelve-month forecast period ended December 31, 2025 for each jurisdiction.





California Public Utilities Commission

ADVICE LETTER UMMARY



LINEROTOTILIT									
MUST BE COMPLETED BY UT	ILITY (Attach additional pages as needed)								
Company name/CPUC Utility No.:									
Utility type: ELC GAS WATER Phone #: E-mail: E-mail Disposition Notice to:									
EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas WATER = Water PLC = Pipeline HEAT = Heat WATER = Water	(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 #:									
if AL submitted in compliance with a Commissi	on order, indicate relevant Decision/Resolution #:								
Does AL replace a withdrawn or rejected AL?	f so, identify the prior AL:								
Summarize differences between the AL and th	e prior withdrawn or rejected AL:								
Confidential treatment requested? Yes	No								
	nation: vailable to appropriate parties who execute a ontact information to request nondisclosure agreement/								
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 attach (residential, small commercial, large C/I, agrical)	nment in AL showing average rate effects on customer classes ultural, lighting).								
Tariff schedules affected:									
Service affected and changes proposed ^{1:}									
Pending advice letters that revise the same ta	riff sheets:								

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
Curtailable 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	