

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



**Advice Letter: 956-G**

January 12, 2015

Southwest Gas Corporation  
Attention: Justin Lee Brown  
P.O. Box 98510  
Las Vegas, NV 89193-8510

**SUBJECT: 2015 NATURAL GAS PUBLIC PURPOSE PROGRAM SURCHARGES**

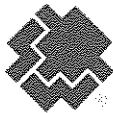
Dear Mr. Brown:

Advice Letter 956 is approved as of January 12, 2015, for rates effective January 1, 2015. Pursuant to recommendations by the California State Auditor, Energy Division staff is currently conducting in-depth reviews of PG&E gas balancing accounts. Balances in all accounts authorized for recovery are subject to audit, verification and adjustment.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Director, Energy Division



## SOUTHWEST GAS CORPORATION

Justin Lee Brown , Vice President/Regulation and Public Affairs

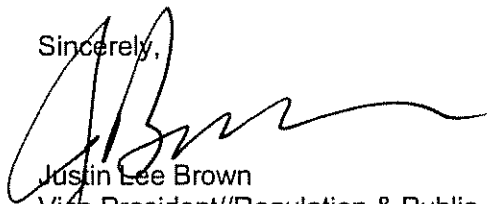
October 30, 2014

ATTN: Tariff Unit, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4005  
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 956

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 956,  
together with California Gas Tariff P.U.C. Sheet No. 121.

Sincerely,



Justin Lee Brown  
Vice President//Regulation & Public Affairs

JLB:kl  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 956

October 30, 2014

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas) (U 905 G) tenders herewith for filing the following tariff sheets.

### California Gas Tariff

Cal.P.U.C. Sheet No.	Title of Sheet	Canceling Cal.P.U.C. Sheet No.
7th Revised Sheet No. 121	Schedule No. G-PPPS – Surcharge to Fund Public Purpose Programs (PPP)	6th Revised Sheet No. 121

The purpose of this filing is to adjust Southwest Gas' Public Purpose Program (PPP) Surcharge rates in compliance with Ordering Paragraphs 22 and 10 in Decision Nos. (D.) 04-08-010 and 14-05-004, respectively.

In accordance with D.14-05-004, Southwest Gas has calculated its proposed PPP surcharges based on its 2011 California Alternative Rates for Energy (CARE) authorized subsidy levels, including outreach and administrative expenses, and Energy Savings Assistance Program (ESAP) expenses. The volumes used in the calculations reflect a three-year average (36 consecutive months ending, September 2014), as set forth in D.04-08-010. The calculations also include an adjustment to refund over-collections in Southwest Gas' CARE program balancing accounts, applicable to its Southern California Division and Northern California Division, which includes South Lake Tahoe, as authorized by the Commission in D.14-05-004. The calculations of Southwest Gas' proposed 2015 PPP surcharges are shown in the attached Appendix A.

### Effective Date

Southwest Gas believes this Advice Letter (AL) is subject to Energy Division disposition and should be classified as Tier 2, effective after Energy Division Approval, pursuant to General Order (G.O.) 96-B. Southwest Gas respectfully requests this AL be approved November 29, 2014, which is thirty (30) calendar days after the date filed, with the proposed rate changes effective January 1, 2015.

### Protests

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the filing. The protest should set forth the grounds upon which it is based and should be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

Investigation, Monitoring & Compliance Program Manager  
California Public Utilities Commission, Energy Division  
505 Van Ness Avenue, Room 4002  
San Francisco, CA 94102  
Facsimile: 415-703-2200

5241 Spring Mountain Road / Las Vegas, Nevada 89150-0002  
P.O. Box 98510 / Las Vegas, Nevada 89193-8510 / (702) 876-7011  
www.swgas.com



Advice Letter No. 956  
Page 2  
October 30, 2014

**Protests** *(continued)*

Copies should also be mailed to the attention of Director, Energy Division, Room 4004 at the same address as above, and mailed and faxed to:

Mr. Justin Lee Brown  
Vice President/Regulation & Public Affairs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Facsimile: 702-222-1475

**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 G.O. 96-B since the annual PPP Surcharges adjustments proposed herein were previously authorized in D.04-08-010, D.12-09-026, and D.14-05-004.

**Service**

In accordance with G.O. 96-B, General Rule 4.3, Southwest Gas is mailing copies of this advice letter and related tariff sheets to the utilities and interested parties shown on the attached list.

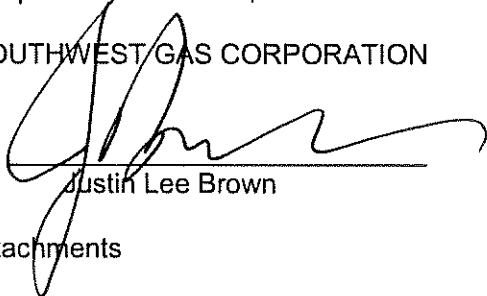
Communications regarding this filing should be directed to:

Valerie J. Ontiveroz  
Regulatory Manager/California  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-876-7323  
E-mail: [valerie.ontiveroz@swgas.com](mailto:valerie.ontiveroz@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By



Justin Lee Brown

Attachments

DISTRIBUTION LIST

Advice Letter No. 956

In Conformance with General Order 96-B, General Rule 4.3

Southern California Edison Company

Pacific Gas & Electric Company

Liberty Utilities

San Diego Gas & Electric Company

Southern California Gas Company  
(Tariff@socalgas.com)

Southern California Water Company

Duane Morris, LLP

Director/Office of Ratepayer Advocates

Robert M. Pocta, Office of Ratepayer Advocates  
(rmp@cpuc.ca.gov)

Nathaniel Skinner, Office of Ratepayer Advocates  
(nws@cpuc.ca.gov)

Pearlie Sabino, Office of Ratepayer Advocates  
(pzs@cpuc.ca.gov)

Schedule No. G-PPPS

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPP)

APPLICABILITY

Applicable to all gas sales and transportation service excluding service for: electric generation including cogeneration, enhanced oil recovery, wholesale for resale to end users, natural gas produced in California and transported on a proprietary pipeline, and the consumption of natural gas which California is prohibited for taxing under the United States Constitution or the California Constitution.

TERRITORY

Throughout the Company's certificated California service areas, except as may hereafter be provided.

RATES

Customer Class	PPP SURCHARGE AMOUNT PER THERM			
	Non-CARE Customers		CARE Customers	
	Southern CA	Northern CA/ South Lake Tahoe	Southern CA	Northern CA/ South Lake Tahoe
Core *				
Residential	\$ 0.07262	\$ 0.03345	\$ 0.02091	\$ 0.02091
Commercial/Industrial	\$ 0.07262	\$ 0.03345	\$ 0.02091	\$ 0.02091
Gas Engine	\$ 0.07262	\$ 0.03345	N/A	N/A
Natural Gas Vehicle	\$ 0.07262	\$ 0.03345	N/A	N/A
Non-Core **				
Commercial/Industrial	\$ 0.07262	\$ 0.03345	N/A	N/A

\* Residential service includes Rate Schedule Nos. GS/GN/SLT-10, -12, -15, -20, and -25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN/SLT-35, -40, and -60. Natural Gas Vehicle service includes Rate Schedule No. GS-50/GN-50/SLT-50.

\*\* Commercial/Industrial service includes Rate Schedule No. GS-70/GN-70/SLT-70.

The PPP surcharges are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference.

The number of therms shall be determined in accordance with the provisions of Rule No. 2C of this California Gas Tariff.

**SOUTHWEST GAS CORPORATION  
 CALIFORNIA JURISDICTIONS  
 PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES  
 TO BE EFFECTIVE JANUARY 1, 2015**

Line No.	Description (a)	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>Non-CARE PPP Surcharges</u>					
1	CARE Component	\$ 0.14022	\$ 0.01403		1
2	CARE Balancing Account Component	\$(0.08162)	\$ (0.00086)		2
3	BOE PPP Administrative Surcharge	\$ 0.00011	\$ 0.00011		3
4	CPUC PPP Administrative Charges	\$ 0.00001	\$ 0.00001		4
5	Total Non-CARE PPP Surcharges	<u>\$ 0.05872</u>	<u>\$ 0.01329</u>		5
<u>CARE PPP Surcharges</u>					
6	ESA Component			\$ 0.03389	6
7	R & D Component			\$ 0.00230	7
8	CEE Component [1]			\$ 0.00855	8
9	Total CARE PPP Surcharges			<u>\$ 0.04474</u>	9
<u>Total PPP Surcharges</u>					
10	CARE Customer Rate per Therm [2]	<u>\$ 0.04474</u>	<u>\$ 0.04474</u>		10
11	Non-CARE Customer Rate per Therm [3]	<u>\$ 0.10346</u>	<u>\$ 0.05803</u>		11

[1] CEE Approved in D.14-06-028.

[2] Sum of CARE PPP Surcharges

[3] Sum of CARE plus Non-CARE PPP Components.

**SOUTHWEST GAS CORPORATION  
 CALIFORNIA JURISDICTIONS  
 CALCULATION OF PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES  
 CALIFORNIA ALTERNATIVE RATE FOR ENERGY (CARE), ENERGY SAVINGS ASSISTANCE (ESA),  
 CONSERVATION AND ENERGY EFFICIENCY (CEE), AND RESEARCH AND DEVELOPMENT (R&D)  
 TO BE EFFECTIVE JANUARY 1, 2015**

Line No.	Description (a)	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>CARE PPP Components</u>					
1	CARE Program Revenue Requirement [1]	\$ 8,494,865	\$ 578,759	\$ 9,073,624	1
2	CARE Program Balancing Account [2]	\$ (4,944,683)	\$ (35,283)	\$ (4,979,966)	2
3	2015 Adjusted CARE budget	\$ 3,550,182	\$ 543,476	\$ 4,093,658	3
4	CARE Applicable Volume (Therms) [3]	60,582,294	41,247,114	101,829,408	4
5	CARE Balancing Account Rate Per Therm (Ln.2/Ln.4)	\$ (0.08162)	\$ (0.00086)		5
6	CARE Program Rate per Therm (Ln.1/Ln.4)	\$ 0.14022	\$ 0.01403		6
7	BOE Administrative Revenue Requirement			\$ 10,796	7
8	BOE Rate per Therm [3] (Ln.6/Ln.4)			\$ 0.00011	8
9	CPUC Administrative Revenue Requirement			\$ 617.57	9
10	CPUC Administrative Rate per Therm (Ln.9/Ln.4)			\$ 0.00001	10
11	CARE PPP Rate per Therm (Lns.5+6+8+10)	<u>\$ 0.05872</u>	<u>\$ 0.01329</u>		11
<u>ESA PPP Components</u>					
12	ESA Revenue Requirement [1]			\$ 3,172,693	12
13	ESA Carry-over budget from 2013/2014			\$ 1,935,863	13
14	2015 ESA Budget including carry-over from 2013/2014			\$ 5,108,556	14
15	ESA Balancing Account [2]			\$ (773,237)	15
16	2015 Adjusted ESA budget			\$ 4,335,319	16
17	ESA Applicable Volume (Therms) [4]			127,921,894	17
18	ESA PPP Component Rate per Therm (Ln.16/Ln.17)			\$ 0.03389	18
<u>CEE PPP Component</u>					
19	CEE Revenue Requirement [5]			\$ 1,000,000	19
20	CEE Balancing Account [2]			\$ 93,394	20
21	2015 Adjusted CEE budget			\$ 1,093,394	21
22	CEE PPP Component Rate per Therm (Ln.21/Ln.17)			\$ 0.00855	22
<u>R&amp;D PPP Component</u>					
23	R & D Revenue Requirement			\$ 294,769	23
24	R & D Rate per Therm (Ln.23/Ln.17)			\$ 0.00230	24

[1] Funding levels approved in D.12-09-026.

[2] General Ledger Ending Balance September 30, 2014, including BOE Activity Adjustment. Balancing Account adjustment approved in D.14-05-004.

[3] Three-year (36 consecutive months ended September 30, 2014) average volumes for Southern California and Northern California, including South Lake Tahoe ratemaking areas, excluding exempt volumes.

[4] Three-year (36 consecutive months ended September 30, 2014) average state-wide volumes, excluding exempt volumes.

[5] Funding approved in D.14-06-028.



# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905 G)**

Utility type:

ELC      GAS  
 PLC      HEAT      WATER

Contact Person: **Valerie Ontiveroz**

Phone #: **(702) 876-7323**

E-mail: **Valerie.ontiveroz@swgas.com**

EXPLANATION OF UTILITY TYPE

ELC = Electric     GAS = Gas  
PLC = Pipeline     HEAT = Heat     WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **956**

Subject of AL: **In compliance with OP 22 in D.04-08-010 regarding the administration of Southwest Gas' Public Purpose Program (PPP) Surcharges.**

Keywords (choose from CPUC listing): **Compliance Filing**

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL **Not applicable**

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: **Not applicable**

Resolution Required?  Yes  No

Requested effective date: **January 1, 2015**

No. of tariff sheets: 1

Estimated system annual revenue effect (%): **Not applicable**

Estimated system average rate effect (%): **Not applicable**

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: **Schedule No. G-PPPS - Surcharge to Fund Public Purpose Programs (PPP)**

Service affected and changes proposed<sup>1</sup>: **See 'Subject of AL' above**

Pending advice letters that revise the same tariff sheets: **Not applicable**

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Utility Info (including e-mail)  
Mr. Justin Lee Brown,  
Vice-President/Regulation & Public Affairs  
Southwest Gas Corporation  
P. O. Box 98510  
Las Vegas, NV 89193-8510  
Justin.Brown@swgas.com  
Facsimile: 702-222-1475**

<sup>1</sup> Discuss in AL if more space is needed.