

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 13, 2014

**Advice Letter 938**

Ed Giesecking  
Director/Pricing and Tariffs  
Southwest Gas Corporation  
P O Box 98510  
Las Vegas, NV 89193-8510

**Subject: Adjust SWG's Intrastate Transportation Cost Adjustment  
Mechanism and Fixed Cost Adjustment Mechanism Balancing  
Account Surcharges Applicable to its Southern and Northern  
California Divisions, and South Lake Tahoe District**

Dear Mr. Giesecking:

Advice Letter 938 is effective May 1, 2014.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division



# **SOUTHWEST GAS CORPORATION**

Justin Lee Brown , Vice President/Regulatory Affairs

April 24, 2014

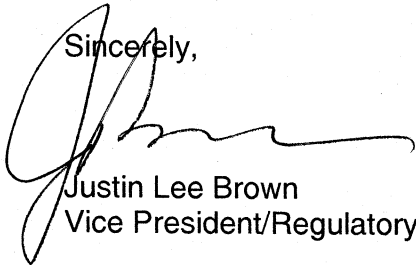
ATTN: Tariff Unit, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4005  
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 938

Tariff Unit:

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 938 together with California Gas Tariff P.U.C. Sheet Nos. 65 through 73.

Sincerely,



Justin Lee Brown  
Vice President/Regulatory Affairs

EBG:os  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 938

April 24, 2014

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas or Company) (U 905 G) hereby tenders for filing the following tariff sheets:

### California Gas Tariff

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
41st Revised Sheet No. 65	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	40th Revised Sheet No. 65
41st Revised Sheet No. 66	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	40th Revised Sheet No. 66
41st Revised Sheet No. 67	Statement of Rates - Effective Rates Applicable to Southern California Division Schedules	40th Revised Sheet No. 67
41st Revised Sheet No. 68	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	40th Revised Sheet No. 68
41st Revised Sheet No. 69	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	40th Revised Sheet No. 69
10th Revised Sheet No. 70	Statement of Rates - Effective Rates Applicable to Northern California Division Schedules	9th Revised Sheet No. 70
41st Revised Sheet No. 71	Statement of Rates - Effective Rates Applicable to South Lake Tahoe District Schedules	40th Revised Sheet No. 71
41st Revised Sheet No. 72	Statement of Rates - Effective Rates Applicable to South Lake Tahoe District Schedules	40th Revised Sheet No. 72
9th Revised Sheet No. 73	Statement of Rates - Effective Rates Applicable to South Lake Tahoe District Schedules	8th Revised Sheet No. 73



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April 24, 2014

### **Purpose**

The purpose of this filing is to adjust Southwest Gas' Intrastate Transportation Cost Adjustment Mechanism (ITCAM) and Fixed Cost Adjustment Mechanism (FCAM) balancing account surcharges applicable to its Southern and Northern California Divisions, and South Lake Tahoe District. The calculations of Southwest Gas' 2014 balancing account surcharges are reflected in Schedule 1, attached hereto. Southwest Gas' ITCAM and FCAM were approved in Decisions (D.) 04-03-034 and 08-11-048, respectively.

The ITCAM balances recorded upstream intrastate variable transportation cost recovery from both the core and noncore markets with the actual intrastate variable transportation costs incurred by the Company for the upstream transportation of gas on Southern California Gas Company's system. The FCAM balances the difference between authorized levels of Company margin, recorded upstream storage charges, and interstate reservation/firm access charges with recorded revenues intended to recover these costs. Pursuant to the Company's tariffs, Southwest Gas shall file periodically and as necessary to update these balancing account mechanisms.

### **Effective Date**

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order 96-B and the Company's tariffs approved in accordance with D.04-03-034 and D.08-11-048. Southwest Gas respectfully requests the rate changes proposed herein be approved and effective on May 1, 2014, to coincide with the Company's monthly gas cost adjustment.

### **Protest**

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

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/Regulatory Affairs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Facsimile: 702-876-7037



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April 24, 2014

**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 adjustments proposed herein are being filed pursuant to the Company's California Tariff approved in accordance with D.04-03-034 and D.08-11-048.

**Service**

In accordance with General Order 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:

Ed Giesecking  
Director/Pricing and Tariffs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-364-3271  
E-mail: [ed.giesecking@swgas.com](mailto:ed.giesecking@swgas.com)

Debra S. Gallo  
Director/Government and State  
Regulatory Affairs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-876-7163  
E-mail: [debra.gallo@swgas.com](mailto:debra.gallo@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By

  
Justin Lee Brown

Attachments

DISTRIBUTION LIST

Advice Letter No. 938

In Conformance with G.O. 96-B, General Rule 4.3

Southern California Edison Company

Pacific Gas & Electric Company

Sierra Pacific Power Company

San Diego Gas & Electric Company

Southern California Gas Company

Southern California Water Company

R. Thomas Beach

Director/Office of Ratepayer Advocates

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]**

Schedule No. and Type of Charge	Southwest Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [3]		
<b>GS-10-Residential Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm:							
Baseline Quantities	\$ .54629	\$ .21643	\$ .76272	\$ .00068	\$ .15854	\$ .47588	\$ 1.39782
Tier II	.70793	.21643	.92436	.00068	.15854	.47588	1.55946
<b>GS-11-Residential Air-Conditioning Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm:							
Tier I	\$ .54629	\$ .21643	\$ .76272	\$ .00068	\$ .15854	\$ .47588	\$ 1.39782
Tier II	.70793	.21643	.92436	.00068	.15854	.47588	1.55946
Air-Conditioning	.32282	.21643	.53925	.00068	.15854	.47588	1.17435
<b>GS-12-CARE Residential Gas Service</b>							
Basic Service Charge	\$ 4.00						\$ 4.00
Cost per Therm:							
Baseline Quantities	\$ .29857	\$ .21643	\$ .51500	\$ .00068	\$ .02398	\$ .47588	\$ 1.01554
Tier II	.42788	.21643	.64431	.00068	.02398	.47588	\$ 1.14485
<b>GS-15-Secondary Residential Gas Service</b>							
Basic Service Charge	\$ 6.00						\$ 6.00
Cost per Therm:	\$ .85149	\$ .21452	\$ .06601	\$ .00068	\$ .15854	\$ .47588	\$ 1.70111
<b>GS-20-Multi-Family Master-Metered Gas Service</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm:							
Baseline Quantities	\$ .54629	\$ .21643	\$ .76272	\$ .00068	\$ .15854	\$ .47588	\$ 1.39782
Tier II	.70793	.21643	.92436	.00068	.15854	.47588	1.55946
<b>GS-25-Multi-Family Master-Metered Gas Service-Submetered</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm:							
Baseline Quantities	\$ .54629	\$ .21643	\$ .76272	\$ .00068	\$ .15854	\$ .47588	\$ 1.39782
Tier II	.70793	.21643	.92436	.00068	.15854	.47588	1.55946
Submetered Discount per Occupied Space	\$ (8.35)						\$ (8.35)
<b>GS-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>							
Basic Service Charge	\$ 8.80						\$ 8.80
Cost per Therm:							
Summer (May – October)							
First 100	\$ .24463	\$ .20160	\$ .44623	\$ .00068	\$ .02398	\$ .47588	\$ .94677
Next 500	.16183	.20160	.36343	.00068	.02398	.47588	.86397
Next 2,400	.08703	.20160	.28863	.00068	.02398	.47588	.78917
Over 3,000	(.03614)	.20160	.16546	.00068	.02398	.47588	.66600
Winter (November – April)							
First 100	\$ .24142	\$ .21764	\$ .45906	\$ .00068	\$ .02398	\$ .47588	\$ .95960
Next 500	.15862	.21764	.37626	.00068	.02398	.47588	.87680
Next 2,400	.08382	.21764	.30146	.00068	.02398	.47588	.80200
Over 3,000	(.03935)	.21764	.17829	.00068	.02398	.47588	.67883

Advice Letter No. 938  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed April 24, 2014  
Effective May 1, 2014  
Resolution No. \_\_\_\_\_

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]**

Schedule No. and Type of Charge	Southwest Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [3]		
<b>GS-40-Core General Gas Service</b>							
Basic Service Charge	\$11.00						\$ 11.00
Cost per Therm:							
Summer (May – October)							
First 100	\$ .47516	\$ .20160	\$ .67676	\$ .00068	\$ .15854	\$ .47588	\$ 1.31186
Next 500	.37166	.20160	.57326	.00068	.15854	.47588	1.20836
Next 2,400	.27816	.20160	.47976	.00068	.15854	.47588	1.11486
Over 3,000	.12419	.20160	.32579	.00068	.15854	.47588	.96089
Winter (November – April)							
First 100	\$ .47516	\$ .21764	\$ .69280	\$ .00068	\$ .15854	\$ .47588	\$ 1.32790
Next 500	.37166	.21764	.58930	.00068	.15854	.47588	1.22440
Next 2,400	.27816	.21764	.49580	.00068	.15854	.47588	1.13090
Over 3,000	.12419	.21764	.34183	.00068	.15854	.47588	.97693
<b>GS-50-Core Natural Gas Service for Motor Vehicles</b>							
Basic Service Charge	\$25.00						\$ 25.00
Cost per Therm:							
Summer (May – October)	\$ .10125	\$ .19697	\$ .29822	\$ .00068	\$ .15854	\$ .47588	\$ .93332
Winter (November – April)	.10125	.20574	.30699	.00068	.15854	.47588	.94209
<b>GS-60-Core Internal Combustion Engine Gas Service</b>							
Basic Service Charge	\$25.00						\$ 25.00
Cost per Therm:							
Summer (May – October)	\$ .14743	\$ .19747	\$ .34490	\$ .00068	\$ .15854	\$ .47588	\$ .98000
Winter (November – April)	.14743	.21715	.36458	.00068	.15854	.47588	.99968
<b>GS-66-Core Small Electric Power Generation Gas Service</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm:							
Summer (May – October)	\$ .10800	\$ .19766	\$ .30566	\$ .00068		\$ .47588	\$ .78222
Winter (November – April)	.10800	.21353	.32153	.00068		.47588	.79809
<b>GS-70-Noncore General Gas Transportation Service</b>							
Basic Service Charge	\$100.00						\$ 100.00
Cost per Therm:							
Summer (May – October)	\$ .10080	\$ .14871	\$ .24951	\$ .00068	\$ .15854		\$ .40873
Winter (November – April)	.10080	.14871	.24951	.00068	.15854		.40873
<b>GSR-Sale for Resale Natural Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Transportation Service Charge	\$ 780.00						\$ 780.00
Cost per Therm:							
Summer (May – October)							
First 100	\$ .47516	\$ .20160	\$ .67676	\$ .00068		\$ .47588	\$ 1.15332
Next 500	.37166	.20160	.57326	.00068		.47588	1.04982
Next 2,400	.27816	.20160	.47976	.00068		.47588	.95632
Over 3,000	.12419	.20160	.32579	.00068		.47588	.80235
Winter (November – April)							
First 100	\$ .47516	\$ .21764	\$ .69280	\$ .00068		\$ .47588	\$ 1.16936
Next 500	.37166	.21764	.58930	.00068		.47588	1.06586
Next 2,400	.27816	.21764	.49580	.00068		.47588	.97236
Over 3,000	.12419	.21764	.34183	.00068		.47588	.81839



**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]**

Schedule No. and Type of Charge	Southwest Margin	Charges [2] and Adjustment s	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [3]		
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>							
TFF Surcharge per Therm							\$ .00647
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>							
MHPS Surcharge per Space per Month							\$ .21000

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation/Firm Access Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$.00291 per therm for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

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

	GS-10, GS-11, GS-12, GS-20, GS-25	GS-15	GS-35, GS-40, GSR	GS-50	GS-60	GS-66	GS-70
<b>Upstream Intrastate Charges</b>							
Storage	\$ .01273	\$ .01238					
Summer			\$ .00109	\$ .00033	\$ .00083	\$ .00102	
Winter			.01713	.00910	.02051	.01689	
Variable	.01997	.01997	.01997	.01997	.01997	.01997	\$ .01997
Interstate Reservation/Firm Access Charge	.04195	.04039	.03876	.03489	.03489	.03489	
<b>Balancing Account Adjustments</b>							
FCAM*	.13430	.13430	.13430	.13430	.13430	.13430	.12126
ITCAM	.00748	.00748	.00748	.00748	.00748	.00748	.00748
<b>Total Rate Adjustment</b>	<b>\$ .21643</b>	<b>\$ .21452</b>					
<b>Total Rate Adjustment (Summer)</b>			\$ .20160	\$ .19697	\$ .19747	\$ .19766	\$ .14871
<b>Total Rate Adjustment (Winter)</b>			\$ .21764	\$ .20574	\$ .21715	\$ .21353	\$ .14871

\* The FCAM surcharge includes an amount of \$.12126 per therm related to the difference between Southwest's authorized margin and recorded revenues intended to recover these costs.

[3] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes <\$.06575> per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]**

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [4]		
<b>GN-10-Residential Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm:							
Baseline Quantities	\$ .56870	\$ .25375	\$ .82245	\$ .00068	\$ .03813	\$ .47642	\$ 1.33768
Tier II	.67941	.25375	.93316	.00068	.03813	.47642	1.44839
<b>GN-12-CARE Residential Gas Service</b>							
Basic Service Charge	\$ 4.00						\$ 4.00
Cost per Therm:							
Baseline Quantities	\$ .30893	\$ .25375	\$ .56268	\$ .00068	\$ .02398	\$ .47642	\$ 1.06376
Tier II	.39749	.25375	.65124	.00068	.02398	.47642	1.15232
<b>GN-15-Secondary Residential Gas Service</b>							
Basic Service Charge	\$ 6.00						\$ 6.00
Cost per Therm:	\$ .70491	\$ .25550	\$ .96041	\$ .00068	\$ .03813	\$ .47642	\$ 1.47564
<b>GN-20-Multi-Family Master-Metered Gas Service</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm:							
Baseline Quantities	\$ .56870	\$ .25375	\$ .82245	\$ .00068	\$ .03813	\$ .47642	\$ 1.33768
Tier II	.67941	.25375	.93316	.00068	.03813	.47642	1.44839
<b>GN-25-Multi-Family Master-Metered Gas Service-Submetered</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm:							
Baseline Quantities	\$ .56870	\$ .25375	\$ .82245	\$ .00068	\$ .03813	\$ .47642	\$ 1.33768
Tier II	.67941	.25375	.93316	.00068	.03813	.47642	1.44839
Submetered Discount per Occupied Space	\$(10.95)						\$(10.95)
<b>GN-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>							
Basic Service Charge	\$ 8.80						\$ 8.80
Cost per Therm:							
Summer (June – September)							
First 100	\$ .22282	\$ .22338	\$ .44620	\$ .00068	\$ .02398	\$ .47642	\$ .94728
Next 500	.14612	.22338	.36950	.00068	.02398	.47642	.87058
Next 2,400	.07172	.22338	.29510	.00068	.02398	.47642	.79618
Over 3,000	(.02576)	.22338	.19762	.00068	.02398	.47642	.69870
Winter (October – May)							
First 100	\$ .21788	\$ .24858	\$ .46646	\$ .00068	\$ .02398	\$ .47642	\$ .96754
Next 500	.14108	.24858	.38966	.00068	.02398	.47642	.89074
Next 2,400	.06668	.24858	.31526	.00068	.02398	.47642	.81634
Over 3,000	(.03080)	.24858	.21778	.00068	.02398	.47642	.71886

Advice Letter No. 938  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed April 24, 2014  
Effective May 1, 2014  
Resolution No. \_\_\_\_\_

STATEMENT OF RATES  
EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]

Schedule No. and Type of Charge	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [4]		
<b>GN-40-Core General Gas Service</b>							
Basic Service Charge	\$11.00						\$ 11.00
Cost per Therm:							
Summer (June – September)							
First 100	\$ .45360	\$ .22338	\$ .67698	\$ .00068	\$ .03813	\$ .47642	\$ 1.19221
Next 500	.35760	.22338	.58098	.00068	.03813	.47642	1.09621
Next 2,400	.26460	.22338	.48798	.00068	.03813	.47642	1.00321
Over 3,000	.14275	.22338	.36613	.00068	.03813	.47642	.88136
Winter (October – May)							
First 100	\$ .45360	\$ .24858	\$ .70218	\$ .00068	\$ .03813	\$ .47642	\$ 1.21741
Next 500	.35760	.24858	.60618	.00068	.03813	.47642	1.12141
Next 2,400	.26460	.24858	.51318	.00068	.03813	.47642	1.02841
Over 3,000	.14275	.24858	.39133	.00068	.03813	.47642	.90656
<b>GN-50-Core Natural Gas Service for Motor Vehicles</b>							
Basic Service Charge	\$25.00						\$ 25.00
Cost per Therm:							
Summer (June – September)	\$ .07276	\$ .20760	\$ .28036	\$ .00068	\$ .03813	\$ .47642	\$ .79559
Winter (October – May)	.07276	.23873	.31149	.00068	.03813	.47642	.82672
<b>GN-60-Core Internal Combustion Engine Gas Service</b>							
Basic Service Charge	\$25.00						\$ 25.00
Cost per Therm:							
Summer (June – September)	\$ .76217	\$ .20760	\$ .96977	\$ .00068	\$ .03813	\$ .47642	\$ 1.48500
Winter (October – May)	.76217	.23567	.99784	.00068	.03813	.47642	1.51307
<b>GN-66-Core Small Electric Power Generation Gas Service</b>							
Basic Service Charge	\$ 25.00						\$ 25.00
Cost per Therm:							
Summer (June – September)	\$ .09015	\$ .22338	\$ .31353	\$ .00068		\$ .47642	\$ .79063
Winter (October – May)	.09015	.24858	.33873	.00068		.47642	.81583
<b>GN-70-Noncore General Gas Transportation Service</b>							
Basic Service Charge	\$100.00						\$ 100.00
Cost per Therm:							
Summer (June – September)	\$ .14698	\$ .03869	\$ .18567	\$ .00068	\$ .03813		\$ .22448
Winter (October – May)	.14698	.03869	.18567	.00068	.03813		.22448
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>							
TFF Surcharge per Therm							\$ .00460
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>							
MHPS Surcharge per Space per Month							\$ .21000

Advice Letter No. 938  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed April 24, 2014  
Effective May 1, 2014  
Resolution No. \_\_\_\_\_

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2]**

Schedule No. and Type of Change	Southwest Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges			Effective Sales Rate
				CPUC	PPP [4]	Gas Cost	

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$.00263 per therm for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] A Franchise Fee differential of 2.5% will be applied to monthly billings calculated for all rate schedules for all customers within the limits of the Town of Truckee.

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

	GN-10, GN-12, GN-20, GN-25	GN-15	GN-35, GN-40	GN-50	GN-60	GN-66	GN-70
Upstream Interstate Charges							
Reservation	\$ .19734	\$ .19890	\$ .19072	\$ .17494	\$ .17494	\$ .19072	
Storage	.02375	.02394					
Summer			.00000	.00000	.00000	.00000	
Winter			.02520	.03113	.02807	.02520	
FCAM Balancing Account Adjustment *	.03266	.03266	.03266	.03266	.03266	.03266	\$ .03869
Total Rate Adjustment	<u>\$ .25375</u>	<u>\$ .25550</u>					
Total Rate Adjustment (Summer)			<u>\$ .22338</u>	<u>\$ .20760</u>	<u>\$ .20760</u>	<u>\$ .22338</u>	<u>\$ .03869</u>
Total Rate Adjustment (Winter)			<u>\$ .24858</u>	<u>\$ .23873</u>	<u>\$ .23567</u>	<u>\$ .24858</u>	<u>\$ .03869</u>

\* The FCAM surcharge includes an amount of \$.03869 per therm related to the difference between Southwest's authorized margin and recorded revenues intended to recover these costs.

[4] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes <\$.00121> per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DIVISION SCHEDULES [1]**

Schedule No. and Type of Charge	Southwest Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [3]		
<b>SLT-10-Residential Gas Service</b>							
Basic Service Charge	\$ 5.00						\$ 5.00
Cost per Therm:							
Baseline Quantities	\$ .16623	\$ .25243	\$ .41866	\$ .00068	\$ .03813	\$ .48282	\$ .94029
Tier II	.26719	.25243	.51962	.00068	.03813	.48282	\$ 1.04125
<b>SLT-12-CARE Residential Gas Service</b>							
Basic Service Charge	\$ 4.00						\$ 4.00
Cost per Therm:							
Baseline Quantities	\$(.01407)	\$ .25243	\$ .25243	\$ .00068	\$ .02398	\$ .48282	\$ .74584
Tier II	.06670	.25243	.31913	.00068	.02398	.48282	.82661
<b>SLT-15-Secondary Residential Gas Service</b>							
Basic Service Charge	\$ 6.00						\$ 6.00
Cost per Therm:	\$ .25130	\$ .25419	\$ .50549	\$ .00068	\$ .03813	\$ .48282	\$ 1.02712
<b>SLT-20-Multi-Family Master-Metered Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm:							
Baseline Quantities	\$ .16623	\$ .25243	\$ .41866	\$ .00068	\$ .03813	\$ .48282	\$ .94029
Tier II	.26719	.25243	.51962	.00068	.03813	.48282	\$ 1.04125
<b>SLT-25-Multi-Family Master-Metered Gas Service-Submetered</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm:							
Baseline Quantities	\$ .16623	\$ .25243	\$ .41866	\$ .00068	\$ .03813	\$ .48282	\$ .94029
Tier II	.26719	.25243	.51962	.00068	.03813	.48282	\$ 1.04125
Submetered Discount per Occupied Space	\$ (5.65)						\$ (5.65)
<b>SLT-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>							
Basic Service Charge	\$ 8.80						\$ 8.80
Cost per Therm:							
Summer (May – October)							
First 100	\$ .01607	\$ .22164	\$ .23771	\$ .00068	\$ .02398	\$ .48282	\$ .74519
Next 500	.00407	.22164	.22571	.00068	.02398	.48282	.73319
Next 2,400	(.00793)	.22164	.21371	.00068	.02398	.48282	.72119
Over 3,000	(.02710)	.22164	.19454	.00068	.02398	.48282	.70202
Winter (November – April)							
First 100	\$ .01096	\$ .24718	\$ .25814	\$ .00068	\$ .02398	\$ .48282	\$ .76562
Next 500	(.00104)	.24718	.24614	.00068	.02398	.48282	.75362
Next 2,400	(.01304)	.24718	.23414	.00068	.02398	.48282	.74162
Over 3,000	(.03221)	.24718	.21497	.00068	.02398	.48282	.72245

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DIVISION SCHEDULES [1]**

Schedule No. and Type of Charge	Southwest Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
				CPUC	PPP [3]		
<b>SLT-40-Core General Gas Service</b>							
Basic Service Charge	\$11.00						\$ 11.00
Cost per Therm:							
Summer (May – October)							
First 100	\$ .19620	\$ .22164	\$ .41784	\$ .00068	\$ .03813	\$ .48282	\$ .93947
Next 500	.18120	.22164	.40284	.00068	.03813	.48282	.92447
Next 2,400	.16620	.22164	.38784	.00068	.03813	.48282	.90947
Over 3,000	.14224	.22164	.36388	.00068	.03813	.48282	.88551
Winter (November – April)							
First 100	\$ .19620	\$ .24718	\$ .44338	\$ .00068	\$ .03813	\$ .48282	\$ .96501
Next 500	.18120	.24718	.42838	.00068	.03813	.48282	.95001
Next 2,400	.16620	.24718	.41338	.00068	.03813	.48282	.93501
Over 3,000	.14224	.24718	.38942	.00068	.03813	.48282	.91105
<b>SLT-50-Core Natural Gas Service for Motor Vehicles</b>							
Basic Service Charge	\$11.00						\$ 11.00
Cost per Therm:							
Summer (May – October)	\$ .14348	\$ .20565	\$ .34913	\$ .00068	\$ .03813	\$ .48282	\$ .87076
Winter (November – April)	.14348	.23720	.38068	.00068	.03813	.48282	.90231
<b>SLT-60-Core Internal Combustion Engine Gas Service</b>							
Basic Service Charge	\$11.00						\$ 11.00
Cost per Therm:							
Summer (May – October)	\$ .16331	\$ .20565	\$ .36896	\$ .00068	\$ .03813	\$ .48282	\$ .89059
Winter (November – April)	.16331	.23410	.39741	.00068	.03813	.48282	.91904
<b>SLT-66-Core Small Electric Power Generation Gas Service</b>							
Basic Service Charge	\$ 11.00						\$ 11.00
Cost per Therm:							
Summer (May – October)	\$ .09546	\$ .22164	\$ .31710	\$ .00068		\$ .48282	\$ .80060
Winter (November – April)	.09546	.24718	.34264	.00068		.48282	.82614
<b>SLT-70-Noncore General Gas Transportation Service</b>							
Basic Service Charge	\$100.00						\$ 100.00
Cost per Therm:							
Summer (May – October)	\$ .13507	\$ .03447	\$ .16954	\$ .00068	\$ .03813		\$ .20835
Winter (November – April)	.13507	.03447	.16954	.00068	.03813		.20835
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>							
TFF Surcharge per Therm							\$ .00915
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>							
MHPS Surcharge per Space per Month							\$ .21000

Advice Letter No. 938  
Decision No. \_\_\_\_\_

Issued by  
Justin Lee Brown  
Vice President

Date Filed April 24, 2014  
Effective May 1, 2014  
Resolution No. \_\_\_\_\_

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DIVISION SCHEDULES [1]**

Schedule No. and Type of Change	Southwest Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges			Effective Sales Rate
				CPUC	PPP [3]	Gas Cost	

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$.00267 for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation service will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

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

	SLT-10, SLT-12, SLT-20, SLT-25	SLT-15	SLT-35, SLT-40, SLT-66	SLT-50	SLT-60	SLT-70
Upstream Interstate Charges						
Reservation	\$ .20000	\$ .20157	\$ .19328	\$ .17729	\$ .17729	
Storage	.02407	.02426				
Summer			.00000	.00000	.00000	
Winter			.02554	.03155	.02845	
FCAM Balancing Account Adjustment *	.02836	.02836	.02836	.02836	.02836	\$ .03447
Total Rate Adjustment	<u>\$ .25243</u>	<u>\$ .25419</u>				
Total Rate Adjustment (Summer)			<u>\$ .22164</u>	<u>\$ .20565</u>	<u>\$ .20565</u>	<u>\$ .03447</u>
Total Rate Adjustment (Winter)			<u>\$ .24718</u>	<u>\$ .23720</u>	<u>\$ .23410</u>	<u>\$ .03447</u>

\* The FCAM surcharge includes an amount of \$0.03447 per therm related to the difference between Southwest's authorized margin and recorded revenues intended to recover these costs.

[3] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes <\$.00121> per therm to amortize the CARE Balancing Account. This amount is not related to current program year expenses.

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA DIVISION  
BALANCING ACCOUNT SURCHARGE RATES  
TWELVE-MONTHS ENDING MARCH 31, 2014**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate	1.8067%		1
	<u>Fixed Cost Adjustment Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [1]	\$ 1,102,283		2
3	Total Core Volumes (Therms) [2]	86,026,181		
4	Upstream Fixed Charges Included in Rates		<u>\$ 0.01304</u>	4
5	Margin Balance [1]	\$ 11,239,776		5
7	Total Throughput Less Special Contract Volumes (Therms) [2]	94,362,511		7
6	Margin Balance Amount Included in Rates		<u>\$ 0.12126</u>	6
8	Total FCAM Surcharge Rate		<u><u>\$ 0.13430</u></u>	8
	<u>Intrastate Transportation Account Mechanism (ITCAM)</u>			
9	Upstream Variable Charges [1]	\$ 692,849		9
10	Total Throughput Less Special Contract Volumes (Therms) [2]	94,362,511		10
11	ITCAM Surcharge Rate		<u><u>\$ 0.00748</u></u>	11

[1] Account balances at March 31, 2014.

[2] Volumes twelve-months ended December 31, 2014.



**SOUTHWEST GAS CORPORATION  
NORTHERN CALIFORNIA DIVISION  
BALANCING ACCOUNT SURCHARGE RATES  
TWELVE-MONTHS ENDING MARCH 31, 2014**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate	1.09060%		1
	<u>Fixed Cost Account Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [1]	\$ (274,794)		2
3	Total Core Volumes (Therms) [2]	46,065,086		3
4	Upstream Fixed Charges Included in Rates		<u>\$ (0.00603)</u>	4
5	Margin Balance [1]	\$ 925,722		5
7	Total Throughput (Therms) [3]	24,187,720		7
6	Margin Balance Amount Included in Rates		<u>\$ 0.03869</u>	6
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 6)		<u><u>\$ 0.03266</u></u>	8

[1] Account balances at March 31, 2014.

[2] Northern California & South Lake Tahoe Divisions combined volumes, twelve-months ended December 31, 2014.

[3] Northern California volumes twelve-months ended December 31, 2014.

**SOUTHWEST GAS CORPORATION  
SOUTH LAKE TAHOE DIVISION  
BALANCING ACCOUNT SURCHARGE RATES  
TWELVE-MONTHS ENDING MARCH 31, 2014**

Line No.	Description (a)	Amount (b)	Rate per Therm (c)	Line No.
1	Franchises & Uncollectibles Rate	2.4488%		1
	<u>Fixed Cost Adjustment Mechanism (FCAM)</u>			
2	Upstream Fixed Charges Balance [1]	\$( 274,794)		2
3	Total Core Volumes (Therms) [2]	46,065,086		3
4	Upstream Fixed Charges Included in Rates		<u>\$ (0.00611)</u>	4
5	Margin Balance [1]	\$ 765,735		5
7	Total Throughput (Therms) [3]	22,756,866		7
6	Margin Balance Amount Included in Rates		<u>\$ 0.03447</u>	6
8	Total FCAM Surcharge Rate (Ln. 4 + Ln. 6)		<u><u>\$ 0.02836</u></u>	8

[1] Account balances at March 31, 2014.

[2] Northern California & South Lake Tahoe Divisions combined volumes, twelve-months ended December 31, 2014.

[3] South Lake Tahoe volumes, twelve-months ended December 31, 2014.

# 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: **Edward Giesecking**

Phone #: **(702) 364-3271**

E-mail: **ed.giesecking@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) #: **938**

Subject of AL: **The purpose of this filing is to adjust Southwest Gas' Intrastate Transportation Cost Adjustment Mechanism (ITCAM) and Fixed Cost Adjustment Mechanism (FCAM) balancing account surcharges applicable to its Southern and Northern California Divisions, and South Lake Tahoe District.**

Keywords (choose from CPUC listing): **Balancing Account**

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other: As Necessary

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: **May 1, 2014**

No. of tariff sheets: 9

Estimated system annual revenue effect: (%): **6.6% So. CA, 1.1% No. CA, and 0.4% So. Lake Tahoe**

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: **Not applicable**

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-Pres./Regulatory 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.