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Filed For: Southwest Gas Corporation

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by: /s Tashia Garry

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Southwest Gas Corporation

**SOUTHWEST GAS CORPORATION**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

Annual Rate Adjustment Application of Southwest Gas Corporation for Authority to Adjust the Variable Interest Expense Recovery Mechanism Rates; Unrecovered Gas Cost Expense Rates; System Shrinkage Rates; Imbalance Commodity and Reservation Charges; Renewable Energy Program Rates; General Revenues Adjustment Rates; Conservation and Energy Efficiency Rates; and Mesquite Infrastructure Expansion Rates.

Docket No.: 21-11\_\_\_\_

VOLUME 1 of 2

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# **SOUTHWEST GAS CORPORATION**

November 10, 2021

Ms. Trisha Osborne  
Assistant Commission Secretary  
Public Utilities Commission of Nevada  
1150 East William Street  
Carson City, NV 89701-3109

Re: Annual Rate Adjustment Application of Southwest Gas Corporation for Authority to Adjust the Variable Interest Expense Recovery Mechanism Rates; Unrecovered Gas Cost Expense Rates; System Shrinkage Rates; Imbalance Commodity and Reservation Charges; Renewable Energy Program Rates; General Revenues Adjustment Rates; Conservation and Energy Efficiency Rates; and Mesquite Infrastructure Expansion Rates

Dear Ms. Osborne:

Southwest Gas Corporation (Southwest Gas or Company) respectfully submits for electronic filing its Annual Rate Adjustment Application.

The entire filing consists of the following:

Volume 1 Transmittal letter, Table of Contents, Application and Exhibits 1 through 5

Volume 2 Exhibit 6, Draft Notice, and Workpapers for Northern & Southern Nevada

An electronic payment in the amount of \$200.00 has been included with the Application for the required filing fee.

Please contact me at (702) 876-7266 with any questions you may have.

Respectfully submitted,

Christopher Brown  
Director/Regulation & Energy Efficiency

Enclosure

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4 Las Vegas, NV 89113  
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6 Facsimile No. 702.252.7283  
7 *Attorneys for Southwest Gas Corporation*

8 **BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

9 Annual Rate Adjustment Application of  
10 Southwest Gas Corporation for Authority to  
11 Adjust the Variable Interest Expense  
12 Recovery Mechanism Rates; Unrecovered  
13 Gas Cost Expense Rates; System Shrinkage  
14 Rates; Imbalance Commodity and  
15 Reservation Charges; Renewable Energy  
16 Program Rates; General Revenues  
17 Adjustment Rates; Conservation and Energy  
18 Efficiency Rates; and Mesquite Infrastructure  
19 Expansion Rates.

Docket No.: 21-11\_\_\_\_

17 **APPLICATION**

18 Pursuant to Nevada Revised Statute (NRS) 704.110, Nevada Administrative Code (NAC)  
19 701B.245, 703.535, 704.116, 704.953 through 704.9718, and all other applicable sections of  
20 Chapters 703 and 704 of the NAC, as well as the relevant provisions of its Nevada Gas Tariff  
21 No. 7, Southwest Gas Corporation (Southwest Gas or Company) respectfully files its Annual  
22 Rate Adjustment (ARA) Application (Application) for authority to establish: (1) the Accumulation  
23 of Deferred Interest (ADI) rate in Southern Nevada pursuant to the Variable Interest Expense  
24 Recovery (VIER) mechanism; (2) Unrecovered Gas Cost Expense (UGCE) rates; (3) system  
25 Shrinkage Rates for transportation customers (Shrinkage Rates); (4) Imbalance Commodity and  
26 Reservation Charges used to calculate transportation customer excess imbalance charges; (5)  
27 Renewable Energy Program Rates (REPR); (6) General Revenues Adjustment (GRA) rates; (7)  
28 Conservation and Energy Efficiency (CEE) rates; and (8) Mesquite Infrastructure Expansion

1 Rates (IERs). Southwest Gas further seeks an order: (i) finding that its gas procurement  
2 practices are reasonable; (ii) finding that its gas purchases were reasonable and prudent; (iii)  
3 finding that, during the applicable test period<sup>1</sup>, the transportation costs it first incurred and its  
4 management and performance of its previously contracted resources were both reasonable and  
5 prudent; and (iv) finding that the \$123,975 in gas costs related to gas purchases made on behalf  
6 of its customers in Mesquite and delivered via the Mesquite Virtual Pipeline were prudent and  
7 should be reclassified from FERC Account No. 186<sup>2</sup> to FERC Account No. 191 for recovery.

8 **1. Introduction**

9 1.1 Southwest Gas is a corporation in good standing under the laws of the state of  
10 Nevada. Southwest Gas is a public utility subject to the jurisdiction of the Commission pursuant  
11 to Chapter 704 of the Nevada Revised Statutes.

12 1.2 Southwest Gas' corporate offices are located at 8360 South Durango Drive, Las  
13 Vegas, Nevada 89113.

14 1.3 Communications regarding this Application should be addressed to:

15  
16 Andrew V. Hall, Esq.  
17 Associate General Counsel  
18 Southwest Gas Corporation  
19 P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Telephone: (702) 364-3227  
E-mail: [andrew.hall@swgas.com](mailto:andrew.hall@swgas.com)

Christopher M. Brown  
Director/Regulation & Energy Efficiency  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Telephone: (702) 876-7133  
E-mail: [christopher.brown@swgas.com](mailto:christopher.brown@swgas.com)

20 And [regserve@swgas.com](mailto:regserve@swgas.com)

21  
22 1.4 Southwest Gas' Application is supported by the prepared direct testimony of the  
23 following witnesses:

24  
25 \_\_\_\_\_  
26 <sup>1</sup> Pursuant to Commission's Order in Docket 20-05028, the Company modified the timing of its ARA application  
27 filing to use an accounting test year of October 1 through September 30.<sup>1</sup> Prior to the instant application, the  
28 Company used a May 1 through April 30 accounting test period. Consequently, the change in filing timing  
between the end of the test period in the Company's last ARA Application (April 30, 2020) and end of the test  
period in the instant application (September 30, 2021) creates a seventeenth-month time period (May 1, 2020  
through September 30, 2021).

<sup>2</sup> Reclassified from FERC Account 191 to FERC Account 186 pursuant to the Stipulation and Order in Docket  
No. 20-05028.

- 1 • Celine Louise R. Apo – Ms. Apo supports the Company’s calculation of its  
2 system Shrinkage Rate, Imbalance Commodity and Imbalance Reservation  
3 Charges, UGCE rate, GRA rates, ADI rate, Southern Nevada Infrastructure  
4 Expansion Rate, and the Mesquite Expansion Area Infrastructure Expansion  
5 Rate.
- 6 • Melissa M. Porch – Ms. Porch supports Southwest Gas’ proposed REPR and  
7 CEE rates for its Southern Nevada and Northern Nevada rate jurisdictions.
- 8 • John R. Olenick - Mr. Olenick supports the Company’s assertions that its gas  
9 procurement practices are reasonable and that its gas purchases and  
10 transportation costs it first incurred and its management and performance of its  
11 previously contracted resources were both reasonable and prudent. Mr. Olenick  
12 also supports the Company’s request to reclassify \$123,975 from FERC  
13 Account 186 to FERC Account 191.
- 14 • Ryan A. Kimball - Mr. Kimball supports changes in Southwest Gas’ VIER  
15 calculations.

16 **2. Proposed Rate Adjustments**

17 Prior Year’s Quarterly Gas Cost Adjustments and Reasonableness and Prudence of  
18 Gas Procurement / Purchases and Transportation Costs

19 2.1 Southwest Gas’ Application for Authority to Implement Quarterly Deferred  
20 Energy Accounting Adjustments and to Establish Initial Quarterly Deferred Energy Account  
21 Adjustment Rates, filed in accordance with NRS 704.110, was approved by the Commission  
22 on or about August 31, 2011.

23 2.2 Notice of Southwest Gas’ quarterly deferred energy accounting adjustment and  
24 Advice Letter filings for the past year are on file with the Commission.<sup>3</sup> See NRS 704.110(9)(d).

25 2.3 In accordance with NRS 704.110(9)(d), Southwest Gas requests that the  
26 Commission find that its gas procurement practices are reasonable and that its gas purchases  
27 were reasonable and prudent, as supported by the prepared direct testimony of Company

28 <sup>3</sup> Southwest Gas’ relevant filings within the test period include Docket Nos. 20-08024, 20-11024; 21-02030;  
21-05029; and 21-09002.

1 witness John R. Olenick. Southwest Gas also requests the Commission find that during the  
2 applicable test period, the transportation costs it first incurred and its management and  
3 performance of its previously contracted resources were both reasonable and prudent.

4 Variable Interest Expense Recovery

5 2.4 The Company's VIER mechanism has two components – an average variable  
6 interest rate (AVIR) component that is adjusted for changes in the AVIR during the interim period  
7 between general rate case proceedings, and an ADI component that amortizes the ADI balance,  
8 which results from the difference between the authorized and actual interest expense for the  
9 variable rate debt under the VIER mechanism.

10 2.5 Pursuant to NAC 704.210 through 704.222, Southwest Gas seeks authority to  
11 implement an ADI rate of (\$0.00648) per therm in Southern Nevada, as it relates to the VIER  
12 mechanism.<sup>4</sup> As set forth in the prepared direct testimony of Company witnesses, Ryan A.  
13 Kimball, Southwest Gas is not proposing a change to the AVIR component of the VIER  
14 mechanism in this proceeding, as the AVIR will be reset as part of the Company's pending  
15 general rate case application (Docket No. 21-09001).

16 2.6 There are no variable interest rate industrial development revenue bonds in  
17 Northern Nevada, thus the proposed rate change only affects Southern Nevada rates.

18 Unrecovered Gas Cost Expense Rates

19 2.7 The UGCE mechanism and rates were initially adopted by the Commission in  
20 Docket No. 09-04003. Consistent with its Nevada Gas Tariff No. 7, Southwest Gas calculated  
21 its UGCE rates by dividing its UGCE test period net gas cost write-offs balance by the total  
22 sales volumes (Base Program rate component) and its uncollectible gas cost account balance  
23 by the total test period sales volumes (Adjustment rate component), as detailed in the prepared  
24 direct testimony of Company witness Celine Louise R. Apo. Based thereon, Southwest Gas  
25 seeks authority to implement a UGCE rate of \$0.00437 per therm in Southern Nevada and  
26 \$0.00404 per therm in Northern Nevada.

27 \_\_\_\_\_  
28 <sup>4</sup> The Commission approved Southwest Gas' request for a VIER mechanism in Docket No. 04-3011. Further,  
Southwest Gas applied for and was granted authority to adjust its AVIR and ADI rates pursuant to the VIER  
mechanism in Docket No. 12-06013.



1           Shrinkage Rates

2           2.8    In the Company's 2018 ARA proceeding (Docket No. 18-06005), the  
3 Commission authorized a change to the methodology for calculating the Company's shrinkage  
4 rates. Specifically, the Commission authorized Southwest Gas to calculate shrinkage rates for  
5 both Southern Nevada and Northern Nevada using a 0.3 percent shrinkage factor and further  
6 ordered the Company to use the imputed 0.3 percent factor for a minimum of three  
7 years. Accordingly, Southwest Gas used the 0.3 percent factor for the shrinkage rates that  
8 were effective January 1 in 2019, 2020, and 2021. As discussed in the prepared direct  
9 testimony of Celine Louise R. Apo, the Company proposes to continue using a 0.3  
10 percent shrinkage factor.

11           2.9    The Company calculated its proposed Southern Nevada Shrinkage Rates by first  
12 classifying transportation customers as either high or low-pressure service, and then  
13 calculating high and low-pressure shrinkage rates. See Order in Docket No. 09-03012. The  
14 Company's proposed Northern Nevada Shrinkage Rates were calculated using a recorded  
15 three-year average for gas receipts and deliveries. See Order in Docket No. 07-05015.

16           2.10 Consistent with the Company's request to continue using a 0.3  
17 percent shrinkage factor, the Company seeks approval of the Shrinkage Rates yielded from  
18 the 0.3 percent shrinkage factor calculation in this proceeding. Specifically, the Company  
19 seeks to implement a shrinkage rate of \$0.00006 per therm for high pressure service  
20 transportation customers in Southern Nevada, and a shrinkage rate of \$0.00214 per therm for  
21 low pressure service transportation customers in Southern Nevada. In Northern Nevada, the  
22 Company proposes a shrinkage rate of \$0.00145 per therm.

23           Imbalance Commodity and Reservation Charges

24           2.11 In Southern Nevada, Southwest Gas proposes Imbalance Commodity and  
25 Reservation Charges of \$0.47609 and \$0.05564 per therm, respectively. In Northern Nevada,  
26 the proposed Imbalance Commodity and Reservation Charges are \$0.48191 and \$0.34801 per  
27 therm, respectively.

1           Renewable Energy Program Rates

2           2.12 The REPR was authorized by the Commission in Docket No. 12-05039. In  
3 accordance with NAC 701B.245, Southwest Gas calculated its proposed REPR by adding the  
4 two components identified in NAC 701B.245(2): (1) its anticipated 2022 *Smarter Greener*  
5 *Better*<sup>®</sup> (SGB) Solar Water Heating Program budget divided by the projected therms for the  
6 2022 program year (Base Program rate); and (2) its SGB Solar Water Heating Program  
7 subaccount of FERC Account No. 182.3 cumulative balance at September 30, 2021 divided  
8 by the therm sales for the previous twelve month test (Deferred Program rate), as detailed in  
9 the prepared direct testimony of Company witness Melissa M. Porch. Based thereon,  
10 Southwest Gas proposes a REPR in Southern Nevada of (\$0.00063) per therm. In Northern  
11 Nevada, Southwest Gas proposes a REPR of (\$0.00040) per therm.

12           General Revenues Adjustment Rates

13           2.13 GRA rates are “adjusted annually in an annual application filed pursuant to NAC  
14 704.116.” See NAC 704.9718(2) (as amended). Accordingly, Southwest Gas proposes to  
15 adjust its GRA rates for each applicable rate schedule in Southern and Northern Nevada in this  
16 Application, as supported by the prepared direct testimony of Company witness Celine Louise  
17 R. Apo.

18           2.14 Southwest Gas calculated its proposed GRA rates consistent with NAC  
19 704.9718(3). For each applicable rate schedule, GRA account balances at the end of the test  
20 period were divided by the previous twelve-months’ therms for that schedule.

21           2.15 Southwest Gas proposes the GRA rates reflected in the relevant exhibits to the  
22 prepared direct testimony of Company witness Celine Louise R. Apo, for each applicable rate  
23 schedule in Southern and Northern Nevada. The proposed GRA rates reflect the difference  
24 between the Commission-authorized general revenue per customer and the general revenue  
25 per customer realized by Southwest Gas during the test period for the single-family residential,  
26 multi-family residential, G-1, G-2, and G-3 general service schedules.

1           Conservation and Energy Efficiency Rates

2           2.16 NAC 704.9714(2), permits Southwest Gas to “recover all just and reasonable  
3 costs for implementing substantive conservation and energy efficiency programs included in  
4 an application that the Commission has accepted either as part of the gas utility’s annual  
5 conservation and energy efficiency plan or as modified in the gas utility’s conservation and  
6 energy efficiency plan report.” Specifically, “[t]hese costs may include, without limitation, costs  
7 for labor, overhead, materials, incentives paid to customers, advertising, marketing,  
8 measurement, verification and evaluation.” See NAC 704.9714(2).

9           2.17 As described in the prepared direct testimony of Company witness Melissa M.  
10 Porch, Southwest Gas calculated the Northern and Southern Nevada Deferred Program rates  
11 separately by dividing the balances of each jurisdiction’s respective Deferred Program account  
12 (FERC Account No. 182.303104) as of September 30, 2021, by the respective rate jurisdiction’s  
13 total previous twelve months’ therm sales. Base Program rates for the Southern and Northern  
14 rate jurisdictions are calculated separately by dividing each rate jurisdiction’s total CEE costs,  
15 as defined in Southwest Gas’ approved 2022 CEE budget<sup>2</sup>, by the respective rate jurisdiction’s  
16 projected therm sales. The Deferred Program and Base Program rates are then added  
17 together to calculate the total CEE rate applicable to all sales customers.

18           2.18 Based thereon, Southwest Gas proposes CEE rates in Southern Nevada of  
19 \$0.00107 per therm for sales customers. In Northern Nevada, Southwest Gas proposes credit  
20 CEE rates of (\$0.00056) per therm for sales customers.

21           **3. Mesquite Infrastructure Expansion Rates**

22           3.1 In Docket No. 17-11008, the Commission approved Southwest Gas’ application  
23 to expand its service territory pursuant to Senate Bill 151 (2015) (now codified as NRS  
24 704.9225) to include Mesquite, Nevada and the surrounding area. The Commission adopted  
25 regulations, NAC 704.974 through NAC 704.9758, which allow Southwest Gas to account for  
26 the difference between the revenue requirement accrued versus what was collected in its IERs  
27 as a deferred cost. Southwest Gas includes this accounting for the Mesquite IERs in its annual  
28 ARA filings.

1           3.2    The Company proposes to adjust the Mesquite IERs as described in the  
2 prepared direct testimony of Company witness, Celine Louise R. Apo. The Mesquite IERs are  
3 calculated by dividing the cumulative balance in the Southern Nevada and Mesquite IER  
4 subaccount of FERC Account No. 182.3 at September 30, 2021, by the applicable therm sales  
5 for the twelve-month test period. The Southern Nevada IER includes deferrals calculated by  
6 multiplying a 98.5 percent allocation factor by the Revenue Requirement, then dividing that  
7 number by the Southern Nevada rate jurisdiction’s projected annual therm sales. The Mesquite  
8 Expansion Area IER is calculated by multiplying a 1.5 percent allocation factor by the Revenue  
9 Requirement<sup>5</sup>, then dividing that number by the projected Mesquite area annual therm  
10 sales. The Mesquite Expansion Area IER is calculated by multiplying a 1.5 percent allocation  
11 factor by the Revenue Requirement<sup>7</sup>, then dividing that number by the projected Mesquite area  
12 annual therm sales. Based on the aforementioned calculations, Southwest Gas proposes a  
13 Southern Nevada IER of \$0.00405 and a Mesquite Expansion Area IER of \$0.38058.

14 **4. Overall Effect on Rates**

15           4.1    The overall effect of the proposed rate changes is an increase in annualized  
16 revenues of \$4,788,803 or 1 percent in Southern Nevada, and an increase in annualized  
17 revenues of \$944,697 or 0.8 percent in Northern Nevada. The average annual, summer, and  
18 winter bill impacts for customer rate schedules are reflected in the applicable exhibits to the  
19 prepared direct testimony of Company witness Celine Louise R. Apo.

20 **5. Exhibits to Application**

21           5.1    Attached hereto and incorporated by reference herein are the following Exhibits:

- 22           • Exhibit 1: Proposed tariff sheets
- 23           • Exhibit 2: Existing tariff sheets showing the currently effective rates used in Schedule  
24           1 of Exhibit Nos. \_\_\_(CLA-1) and (CLA-2)
- 25           • Exhibit 3: Prepared Direct Testimony of Celine Louise R. Apo
- 26           • Exhibit 4: Prepared Direct Testimony of Melissa M. Porch

27 \_\_\_\_\_  
28 <sup>5</sup> The Commission’s Order in Docket No. 17-11008 requires the Company to allocate 1.5 percent of the revenue requirement to Mesquite Expansion Area customers and 98.5 percent of the revenue requirement to its tariff-rate customers located in the Southern Nevada rate jurisdiction.

- Exhibit 5: Prepared Direct Testimony of John R. Olenick
- Exhibit 6: Prepared Direct Testimony of Ryan M. Kimball

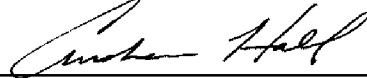
**6. Conclusion**

6.1 Southwest Gas respectfully requests that the Commission issue an Order:

- a. Finding that its gas procurement practices are reasonable and that its gas purchases were reasonable and prudent;
- b. Finding that during the test period, the transportation costs the Company first incurred and the Company's management and performance of its previously contracted resources were both reasonable and prudent;
- c. Establishing the Company's proposed ADI, UGCE, Shrinkage, REPR, GRA, and CEE rates, Mesquite IERs, and proposed Imbalance Commodity and Reservation Charges as set forth herein;
- d. Finding that the \$123,975 in gas costs related to gas purchases made on behalf of its customers in Mesquite and delivered via the Mesquite Virtual Pipeline were prudent and should be reclassified from FERC Account No. 186 to FERC Account No. 191 for recovery;
- d. Establishing July 1, 2022 as the effective date for the rate changes set forth herein; and
- e. Granting such further relief as the Commission finds just and reasonable based on the requests contained within this filing.

Respectfully submitted this 10<sup>th</sup> day of November 2021.

SOUTHWEST GAS CORPORATION



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8360 South Durango Drive

Las Vegas, NV 89113

Telephone No. 702.364.3227

Facsimile No. 702.252.7283

*Attorneys for Southwest Gas Corporation*

1 **CERTIFICATE OF SERVICE**


2 I hereby certify that on the 10<sup>th</sup> day of November 2021, and pursuant to the rules and regulations  
3 of the Public Utilities Commission of Nevada, I served a copy of the foregoing APPLICATION  
4 upon all parties identified below by emailing a copy to the following:

5  
6 Donald Lomoljo  
7 Public Utilities Commission of Nevada  
8 1150 E. William Street  
9 Carson City, NV 89701  
10 [dlomoljo@puc.nv.gov](mailto:dlomoljo@puc.nv.gov)

Ernest Figueroa  
Bureau of Consumer Protection  
100 N. Carson Street  
Carson City, NV 89701  
[ewitkoski@ag.nv.gov](mailto:ewitkoski@ag.nv.gov)

11 with a copy to:  
12 [pucn.sc@puc.nv.gov](mailto:pucn.sc@puc.nv.gov)

with a copy to:  
[bcpserv@ag.nv.gov](mailto:bcpserv@ag.nv.gov)

13  
14   
15 an employee of Southwest Gas Corporation

# Exhibit 1

## Proposed Tariff Sheets

SOUTHWEST GAS CORPORATION  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Nevada Gas Tariff No. 7

Canceling \_\_\_\_\_

P.U.C.N. Sheet No. 10

P.U.C.N. Sheet No. 10

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES <sup>1/2/</sup>**

Schedule Number	Description	Delivery Charge <sup>3/</sup>	Gas Cost		Renewable Energy Program Rate	Infrastructure Expansion Rate <sup>7/</sup>	Currently Effective Tariff Rate
			Base Tariff Energy Rate <sup>4/</sup>	Deferred Energy Account Adjustment			
SG-RS	Single-Family Residential Gas Service						
	Basic Service Charge per Month	\$ 10.80					\$ 10.80
	Commodity Charge per Therm:						
	All Usage	\$ .37366	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .84483
SG-RM	Multi-Family Residential Gas Service						
	Basic Service Charge per Month	\$ 9.00					\$ 9.00
	Commodity Charge per Therm:						
	All Usage	\$ .42337	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .89454
SG-RAC	Air Conditioning Residential Gas Service						
	Basic Service Charge per Month	\$ 10.80					\$ 10.80
	Commodity Charge per Therm:						
	All Usage	\$ .09175	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .56292
SG-G1	General Gas Service - 1						
	Basic Service Charge per Month	\$ 25.80					\$ 25.80
	Commodity Charge per Therm:						
	All Usage	\$ .41505	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .88622
SG-G2	General Gas Service - 2						
	Basic Service Charge per Month	\$ 160.00					\$ 160.00
	Commodity Charge per Therm:						
	All Usage	\$ .11267	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .58384
SG-G3	General Gas Service - 3						
	Basic Service Charge per Month	\$ 350.00					\$ 350.00
	Commodity Charge per Therm:						
	All Usage	\$ .11999	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .59116
SG-G4	General Gas Service - 4						
	Basic Service Charge per Month	\$1,000.00					\$1,000.00
	Commodity Charge per Therm:						
	All Usage	\$ .01434	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .48551
	Demand Charge <sup>5/</sup>	\$ .05200					\$ .05200

Issued:

Effective:

Advice Letter No.:

Issued by  
Amy L. Timperley  
Vice President



SOUTHWEST GAS CORPORATION  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Nevada Gas Tariff No. 7

Canceling \_\_\_\_\_

P.U.C.N. Sheet No. 10A  
P.U.C.N. Sheet No. 10A

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES <sup>1/2/</sup>**

Schedule Number	Description	Delivery Charge <sup>3/</sup>	Gas Cost			Infrastructure Expansion Rate <sup>7/</sup>	Currently Effective Tariff Rate
			Base Tariff Energy Rate <sup>4/</sup>	Deferred Energy Account Adjustment	Renewable Energy Program Rate		
<u>SG-G5</u>	<u>General Gas Service - 5</u>						
	Basic Service Charge per Month	\$1,000.00					\$1,000.00
	Commodity Charge per Therm:						
	All Usage	\$ .00043	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .47160
	Demand Charge <sup>5/</sup>	\$ .00615					\$ .00615
<u>SG-G6</u>	<u>General Gas Service - 6</u>						
	Basic Service Charge per Month	\$1,000.00					\$1,000.00
	Commodity Charge per Therm:						
	All Usage	\$ .00542	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .47659
	Demand Charge <sup>5/</sup>	\$ .03774					\$ .03774
<u>SG-G7</u>	<u>General Gas Service - 7</u>						
	Basic Service Charge per Month	\$1,000.00					\$1,000.00
	Commodity Charge per Therm:						
	All Usage	\$ .01354	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .46943
	Demand Charge <sup>5/</sup>	\$ .03552					\$ .03552
<u>SG-AC</u>	<u>Air Conditioning Gas Service</u>						
	Basic Service Charge per Month	\$ 25.80					\$ 25.80
	Commodity Charge per Therm:						
	All Usage	\$ .10852	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .57969
<u>SG-WP</u>	<u>Water Pumping Gas Service</u>						
	Basic Service Charge per Month	\$ 250.00					\$ 250.00
	Commodity Charge per Therm:						
	All Usage	\$ .05287	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .52404
<u>SG-EG</u>	<u>Small Electric Generation Gas Service</u>						
	Basic Service Charge per Month		Otherwise Applicable Rate Schedule				
	Commodity Charge per Therm:						
	All Usage	\$ (.00014)	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .47103

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SOUTHWEST GAS CORPORATION  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Nevada Gas Tariff No. 7

Canceling \_\_\_\_\_ P.U.C.N. Sheet No. 11  
\_\_\_\_\_ P.U.C.N. Sheet No. 11

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES <sup>1/2/</sup>**

Schedule Number	Description	Delivery Charge <sup>3/</sup>	Gas Cost			Renewable Energy Program Rate	Infrastructure Expansion Rate <sup>7/</sup>	Currently Effective Tariff Rate
			Base Tariff Energy Rate <sup>4/</sup>	Deferred Energy Account Adjustment				
SG-CNG	Gas Service for Compression on Customer's Premises <sup>6/</sup>							
	Basic Service Charge per Month	\$ 25.80						\$ 25.80
	Commodity Charge per Therm:							
	All Usage	\$ .14820	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .61937	R
SG-L	Street and Outdoor Lighting Gas Service							
	Commodity Charge per Therm:							
	All Usage	\$ .47888	\$ .45247	\$ .01528	\$ (.00063)	\$ .00405	\$ .95005	R
SG-OS	Optional Gas Service							
								As specified on Sheet Nos. 48 through 51.
SG-AS	Alternative Sales Service							
								As specified on Sheet Nos. 52 through 53.
SG-CGS	Compression Gas Service							
								As specified on Sheet Nos. 47A through 47I
SG-RNG	Biogas and Renewable Natural Gas Service							
								As specified on Sheet Nos. 53A through 53I

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Nevada Gas Tariff No. 7

Canceling \_\_\_\_\_

P.U.C.N. Sheet No. 11A

P.U.C.N. Sheet No. 11A

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES <sup>1/2/</sup>**  
*(Continued)*

- 1/ The charges shown above are subject to adjustments for taxes and assessments.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Delivery Charge per therm excluding the Conservation and Energy Efficiency component, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount for distribution system shrinkage for all volumes of gas not delivered through a direct connection to one of the Company's upstream interstate pipelines. The high pressure shrinkage rate is \$.00006 per therm, and the low pressure shrinkage rate is \$.00214 per therm. Additionally customers will pay the Southwest Gas Transmission Company (SGTC) Annual Charge Adjustment (ACA) rate of \$.00011 per therm for all scheduled volumes that flow through the SGTC pipeline. The ACA Charge will also apply to applicable traded and imbalance volumes. In addition, the customer will also pay a Transportation Service Charge of \$500.00 per month per individually qualifying premise. For purposes of calculating Payment for Excess Imbalances, the Imbalance Commodity Charge is \$0.47609 per therm and the Imbalance Reservation Charge is \$0.05564 per therm. For customers converting from sales service, an additional amount equal to the currently effective Deferred Energy Accounting Adjustment will be assessed for a period of twelve (12) months.

3/ Includes the following:

Component/Schedule	SG-RS	SG-RM	SG-RAC	SG-G1	SG-G2	SG-G3	SG-G4	SG-G5
Margin	.39285	.43168	.09659	.36862	.09948	.09860	.01918	.00527
Accumulated Deferred Interest Rate Adjustment	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)
General Revenues Adjustment	(.01435)	(.00347)	.00000	.05127	.01803	.02623	.00000	.00000
Gas Infrastructure Replacement Rate	.00057	.00057	.00057	.00057	.00057	.00057	.00057	.00057
Conservation and Energy Efficiency	.00107	.00107	.00107	.00107	.00107	.00107	.00107	.00107
Total	.37366	.42337	.09175	.41505	.11267	.11999	.01434	.00043

Component/Schedule	SG-G6	SG-G7	SG-AC	SG-WP	SG-EG	SG-CNG	SG-L
Margin	.01026	.01838	.11336	.05771	.00470	.15304	.48372
Accumulated Deferred Interest Rate Adjustment	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)	(.00648)
General Revenues Adjustment	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Gas Infrastructure Replacement Rate	.00057	.00057	.00057	.00057	.00057	.00057	.00057
Conservation and Energy Efficiency	.00107	.00107	.00107	.00107	.00107	.00107	.00107
Total	.00542	.01354	.10852	.05287	(.00014)	.14820	.47888

- 4/ For all rate schedules, the Base Tariff Energy Rate (BTER) includes \$0.00437 per therm for the Unrecovered Gas Cost Expense Base Rate.
- 5/ The total monthly demand charge for Schedule Nos. SG-4, SG-5, SG-6, and SG-7 is equal to the unit rate shown multiplied by the customer's billing determinant.
- 6/ The charges for Schedule No. SG-CNG are subject to adjustments for applicable state and federal taxes on fuel used in motor vehicles.
- 7/ In addition to all other rates in this Statement of Rates, all customers in the Mesquite Expansion Area will pay a rate of \$0.38058. per therm as part of their Infrastructure Expansion Rate.

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Nevada Gas Tariff No. 7

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P.U.C.N. Sheet No. 12  
P.U.C.N. Sheet No. 12

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES <sup>1/2/7</sup>**

Schedule Number	Description	Delivery Charge <sup>3/</sup>	Gas Cost			Renewable Energy Program Rate	Currently Effective Tariff Rate
			Base Tariff Energy Rate <sup>4/</sup>	Deferred Energy Account Adjustment			
NG-RS	<u>Single-Family Residential Gas Service</u>						
	Basic Service Charge per Month	\$ 10.80					\$ 10.80
	Commodity Charge per Therm:						
	All Usage	\$ .36182	\$ .74357	\$ .00000	\$ (.00040)		\$ 1.10499
NG-RM	<u>Multi-Family Residential Gas Service</u>						
	Basic Service Charge per Month	\$ 10.80					\$ 10.80
	Commodity Charge per Therm:						
	All Usage	\$ .37964	\$ .74357	\$ .00000	\$ (.00040)		\$ 1.12281
NG-RAC	<u>Air Conditioning Residential Gas Service</u>						
	Basic Service Charge per Month	\$ 10.80					\$ 10.80
	Commodity Charge per Therm:						
	All Usage	\$ .46594	\$ .74357	\$ .00000	\$ (.00040)		\$ 1.20911
NG-G1	<u>General Gas Service - 1</u>						
	Basic Service Charge per Month	\$ 28.80					\$ 28.80
	Commodity Charge per Therm:						
	All Usage	\$ .19936	\$ .74357	\$ .00000	\$ (.00040)		\$ .94253
NG-G2	<u>General Gas Service - 2</u>						
	Basic Service Charge per Month	\$ 160.00					\$ 160.00
	Commodity Charge per Therm:						
	All Usage	\$ .08205	\$ .74357	\$ .00000	\$ (.00040)		\$ .82522
NG-G3	<u>General Gas Service - 3</u>						
	Basic Service Charge per Month	\$ 350.00					\$ 350.00
	Commodity Charge per Therm:						
	All Usage	\$ .06694	\$ .74357	\$ .00000	\$ (.00040)		\$ .81011
NG-G4	<u>General Gas Service - 4</u>						
	Basic Service Charge per Month	\$1,000.00					\$1,000.00
	Commodity Charge per Therm:						
	All Usage	\$ .02030	\$ .74357	\$ .00000	\$ (.00040)		\$ .76347
	Demand Charge <sup>5/</sup>	\$ .03550					\$ .03550
NG-G5	<u>General Gas Service - 5</u>						
	Basic Service Charge per Month	\$1,000.00					\$1,000.00
	Commodity Charge per Therm:						
	All Usage	\$ .01118	\$ .74357	\$ .00000	\$ (.00040)		\$ .75435
	Demand Charge <sup>5/</sup>	\$ .03023					\$ .03023

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Nevada Gas Tariff No. 7

Canceling \_\_\_\_\_

P.U.C.N. Sheet No. 13  
P.U.C.N. Sheet No. 13

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES <sup>1/2/7</sup>**

Schedule Number	Description	Delivery Charge <sup>3/</sup>	Gas Cost			Currently Effective Tariff Rate
			Base Tariff Energy Rate <sup>4/</sup>	Deferred Energy Account Adjustment	Renewable Energy Program Rate	
NG-AC	<u>Air Conditioning Gas Service</u>					
	Basic Service Charge per Month	\$ 28.80				\$ 28.80
	Commodity Charge per Therm:					
	All Usage	\$ .11017	\$ .74357	\$ .00000	\$ (.00040)	\$ .85334
NG-WP	<u>Water Pumping Gas Service</u>					
	Basic Service Charge per Month	\$ 36.00				\$ 36.00
	Commodity Charge per Therm:					
	All Usage	\$ .08092	\$ .74357	\$ .00000	\$ (.00040)	\$ .82409
NG-EG	<u>Small Electric Generation Gas Service</u>					
	Basic Service Charge per Month	Otherwise Applicable Rate Schedule				
	Commodity Charge per Therm:					
	All Usage	\$ .07095	\$ .74357	\$ .00000	\$ (.00040)	\$ .81412
NG-CNG	<u>Gas Service for Compression on Customer's Premises <sup>5/</sup></u>					
	Basic Service Charge	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$ .10227	\$ .74357	\$ .00000	\$ (.00040)	\$ .84544
NG-L	<u>Street and Outdoor Lighting Gas Service</u>					
	Commodity Charge per Therm:					
	All Usage	\$ .49825	\$ .74357	\$ .00000	\$ (.00040)	\$ 1.24142
NG-OS	<u>Optional Gas Service</u>					
		As specified on Sheet Nos. 48 through 51.				
NG-AS	<u>Alternative Sales Service</u>					
		As specified on Sheet Nos. 52 through 53.				
NG-CGS	<u>Compression Gas Service</u>					
		As specified on Sheet Nos. 47A through 47I				
NG-RNG	<u>Biogas and Renewable Natural Gas Service</u>					
		As specified on Sheet Nos. 53A through 53I				

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Canceling \_\_\_\_\_

P.U.C.N. Sheet No. 13A

P.U.C.N. Sheet No. 13A

**STATEMENT OF RATES**  
**EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES <sup>1/2/7</sup>**  
*(Continued)*

- 1/ The charges shown above are subject to adjustments for taxes and assessments.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Delivery Charge per therm excluding the Conservation and Energy Efficiency component, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$0.00145 per therm for distribution system shrinkage as defined in Rule No. 1 of this Nevada Gas Tariff for all volumes of gas not delivered through a direct connection to one of the Company's upstream interstate pipelines and a Transportation Service Charge of \$500.00 per month per individually qualifying premise. For purposes of calculating Payment for Excess Imbalances, the Imbalance Commodity Charge is \$0.48191 per therm and the Imbalance Reservation Charge is \$0.47726 per therm. For customers converting from sales service, an additional amount equal to the currently effective Deferred Energy Accounting Adjustment will be assessed for a period of twelve (12) months.
- 3/ Includes the following:

Component/Schedule	NG-RS	NG-RM	NG-RAC	NG-G1	NG-G2	NG-G3	NG-G4
Margin	.32113	.33731	.46384	.18339	.07186	.05785	.01820
General Revenues Adjustment	.03859	.04023	.00000	.01387	.00809	.00699	.00000
Gas Infrastructure Replacement Rate	.00266	.00266	.00266	.00266	.00266	.00266	.00266
Conservation and Energy Efficiency	(.00056)	(.00056)	(.00056)	(.00056)	(.00056)	(.00056)	(.00056)
Total	.36182	.37964	.46594	.19936	.08205	.06694	.02030

Component/Schedule	NG-G5	NG-AC	NG-WP	NG-EG	NG-CNG	NG-L
Margin	.00908	.10807	.07882	.06885	.10017	.49615
General Revenues Adjustment	.00000	.00000	.00000	.00000	.00000	.00000
Gas Infrastructure Replacement Rate	.00266	.00266	.00266	.00266	.00266	.00266
Conservation and Energy Efficiency	(.00056)	(.00056)	(.00056)	(.00056)	(.00056)	(.00056)
Total	.01118	.11017	.08092	.07095	.10227	.49825

- 4/ For all rate schedules, the Base Tariff Energy Rate (BTER) includes \$0.00404 per therm for the Unrecovered Gas Cost Expense Base Rate.
- 5/ The total monthly demand charge for Schedule Nos. NG-4 and NG-G5 is equal to the unit rate shown multiplied by the customer's billing determinant.
- 6/ The charges for Schedule No. NG-CNG are subject to adjustments for applicable state and federal taxes on fuel used in motor vehicles.

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# Exhibit 2

## Existing Tariff Sheets

