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Filed For: Southwest Gas Corporation

In accordance with NRS Chapter 719,
this filing has been electronically signed and filed
by: /s ShaLinda Creer

By electronically filing the document(s),
the filer attests to the authenticity of the electronic signature(s) contained therein.

This filing has been electronically filed and deemed to be signed by an authorized
agent or
representative of the signer(s) and
Southwest Gas Corporation



SOUTHWEST GAS CORPORATION

August 9, 2022

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

Re: Southwest Gas Corporation
Application of Southwest Gas Corporation for Approval of Amendment to
Renewable Natural Gas Procurement Agreement with the Regional Transportation
Commission of Southern Nevada.

Dear Ms. Osborne:

Southwest Gas Corporation (Southwest Gas or Company) respectfully submits for electronic filing its Application of Southwest Gas Corporation for Approval of Amendment to Renewable Natural Gas Procurement Agreement with the Regional Transportation Commission of 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) 876-7133 with any questions you may have.

Respectfully submitted,

Christopher M. Brown
Director/Regulation

Enclosures

Andrew V. Hall, Esq., Bar No. 12762
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Facsimile No. 702.252.7283
Attorneys for Southwest Gas Corporation

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Southwest Gas Corporation for
Approval of Amendment to Renewable
Natural Gas Procurement Agreement with the
Regional Transportation Commission of
Southern Nevada.

Docket No.: 22-08____

APPLICATION

Pursuant to Nevada Revised Statute (NRS) 704.9997 and regulations adopted by the Public Utilities Commission of Nevada (Commission) in Docket 19-06006 (LCB File No. R117-19) (RNG Regulations), and all other applicable sections of Chapters 703 and 704 of the Nevada Administrative Code, as well as the relevant provisions of its Nevada Gas Tariff No. 7 (Tariff), Southwest Gas Corporation (Southwest Gas or Company) respectfully files this Application for Approval of Amendment to its Renewable Natural Gas (RNG) Procurement Agreement with the Regional Transportation Commission of Southern Nevada (RTC) approved by the Commission in Docket 20-09004 (RNG Agreement).

1. Introduction

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

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

1.3 Communications regarding this Application should be addressed to:

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

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

1.4 Southwest Gas' Application is supported by the prepared direct testimony of Michael C. Cooper which is attached as **Exhibit 1** to the instant Application. Mr. Cooper describes the Company's proposed amendments to the RNG Agreement including an explanation of the environmental benefits associated with the amendments. Additionally, Mr. Cooper describes the associated recovery from RTC of all incremental costs associated with commodity natural gas and Environmental Attribute procurement pursuant to the RNG Agreement.

2. Background

2.1 On July 9, 2020, Southwest Gas and RTC executed the RNG Agreement to implement an RNG procurement arrangement consistent with NRS 704.9997(3)(d)(2). RTC is a current sales customer of Southwest Gas, served under schedule SG-G4 of the Company's Tariff. The RNG Agreement allows Southwest Gas to supplement the current sales under schedule SG-G4 with specific purchases of RNG. Pursuant to the RNG Agreement, delivery of the RNG is to the existing two delivery points for RTC and the maximum daily quantity (MDQ) is 3,333 dekatherms. The RNG Agreement had a primary term of two years, with month-to-month continuation thereafter until terminated.

2.2 On September 3, 2020, Southwest Gas filed an application for approval of Renewable Natural Gas Activities related to the RNG Agreement with RTC (Application). The Application was assigned Docket No. 20-09004.

2.3 On November 24, 2020, Southwest Gas filed with the Commission a stipulation it entered into with the Regulatory Operations Staff (Stipulation) of the Commission in full

1 settlement of the matters at issue in Docket No. 20-09004. On November 25, 2020, Southwest
2 Gas filed a revised Stipulation to include the RNG Agreement as an exhibit which had been
3 inadvertently left out of the initial filed Stipulation.

4 2.4 On December 23, 2020, the Commission issued its order accepting the Stipulation
5 and granting the Application as modified by the Stipulation. The subject Order, including the
6 Stipulation and attached RNG Agreement is attached as **Exhibit 2** to the instant Application.

7 **3. RNG Agreement Modifications**

8 3.1 As described in the prepared direct testimony of Michael C. Cooper, Southwest
9 Gas requests changes to the RNG Agreement to assist RTC in meeting its continuous effort to
10 improve air quality in Southern Nevada. Specifically, RTC has identified the need to add
11 approximately 40 additional CNG buses to its fleet by the end of 2023.

12 3.2 As noted in Section 2.1 above, the original RNG Agreement contemplates
13 Southwest Gas providing a MDQ of 3,333 dekatherms/day to RTC. Southwest Gas requests
14 the Commission approve its proposed amendment of the RNG Agreement to allow for a MDQ
15 of 5,000 dekatherms/day to accommodate RTC's need for additional RNG to support its air
16 quality improvement goals.

17 3.3 Additionally, Southwest Gas seeks approval to modify the primary term of the
18 RNG Agreement from 2 years to 10 years. All other terms and conditions of the RNG Agreement
19 would remain the same.

20 3.4 Southwest Gas also requests that all other terms of the Commission-approved
21 Stipulation associated with approval of the RNG Agreement remain the same, including the
22 Company's participation in the Renewable Fuel Standard program to the extent needed to
23 support RTC's participation in that program .

24 **4. Exhibits to Application**

25 4.1 Attached hereto and incorporated by reference herein are the following Exhibits:

- 26 • Exhibit 1: Prepared Direct Testimony of Michael C. Cooper
- 27
- 28

- Exhibit 2: Final Order in Docket 20-09004 including the Stipulation and RNG Agreement

5. Conclusion

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

- a. Approving the Company's proposed amendments to the RNG Agreement with RTC; and
- b. Granting such further relief as the Commission finds just and reasonable based on the requests contained within this filing.

Respectfully submitted this 9th day of August, 2022.

SOUTHWEST GAS CORPORATION



Andrew V. Hall, Esq., Bar No. 12762

andrew.hall@swgas.com

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8360 South Durango Drive

Las Vegas, NV 89113

Telephone No. 702.876.7396

Facsimile No. 702.252.7283

Attorneys for Southwest Gas Corporation

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on the 9th day of August, 2022, and pursuant to the rules and
3 regulations of the Public Utilities Commission of Nevada, I served a copy of the foregoing
4 Application upon all parties identified below by emailing a copy to the following:

5 Donald Lomoljo, Esq.
6 Staff Counsel
7 Public Utilities Commission of Nevada
8 1150 E. Williams Street
9 Carson City, NV 89701
10 dlomoljo@puc.nv.gov

Ernest Figueroa, Esq.
Chief Deputy Attorney General
Bureau of Consumer Protection
100 N. Carson Street
Carson City, NV 89701
efigueroa@ag.nv.gov

11 with a copy to:
12 pucn.sc@puc.nv.gov

with a copy to:
bcpserv@ag.nv.gov

13
14 
15 an employee of Southwest Gas Corporation
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EXHIBIT 1

IN THE MATTER OF
SOUTHWEST GAS CORPORATION
DOCKET NO. 22-08XXX

PREPARED DIRECT TESTIMONY
OF
MICHAEL C. COOPER

ON BEHALF OF
SOUTHWEST GAS CORPORATION

[AUGUST 09, 2022]

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Prepared Direct Testimony
of
Michael C. Cooper

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Appendix A – Summary of Qualifications of Michael C. Cooper

Exhibit No.____(MCC-1)

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Prepared Direct Testimony
of
Michael C. Cooper

I. INTRODUCTION

Q. 1 Please state your name and business address.

A. 1 My name is Michael C. Cooper. My business address is 8360 S. Durango Drive,
Las Vegas, Nevada 89113.

Q. 2 By whom and in what capacity are you employed?

A. 2 I am employed by Southwest Gas Corporation (Southwest Gas or Company) in
the Energy Solutions department. My title is Senior Manager/Key Accounts.

**Q. 3 Please summarize your educational background and relevant business
experience.**

A. 3 My educational background and relevant business experience are summarized
in Appendix A to this testimony.

Q. 4 Have you previously testified before any regulatory commission?

A. 4 No.

Q. 5 What is the purpose of your prepared direct testimony in this proceeding?

A. 5 My prepared direct testimony supports the Company's application seeking to
amend the renewable natural gas (RNG) purchase agreement previously
approved by the Public Utilities Commission of Nevada (Commission) in Docket
No. 20-09004 between the Regional Transportation Commission (RTC) and
Southwest Gas (RNG Agreement).

1 **Q. 6 Please summarize your prepared direct testimony.**

2 A. 6 My prepared direct testimony consists of the following key points:

- 3 • A description of the proposed amendments to the RNG Agreement;
- 4 • An explanation of the environmental benefits associated with the proposed
- 5 amendments to the RNG Agreement;
- 6 • The cost recovery mechanism associated with the proposed amendments to
- 7 the RNG Agreement; and
- 8 • An explanation of the impact of the RNG Agreement amendments on the
- 9 Company's base tariff energy rate (BTER).

10 **II. PROPOSED AMENDMENTS TO THE RNG AGREEMENT**

11 **Q. 7 Please provide an overview of the RNG Agreement that the Commission**
12 **approved in Docket No. 20-09004.**

13 A. 7 The Commission approved the Stipulation between the Company and the
14 Regulatory Operations Staff of the Commission in Docket No. 20-09004
15 (Stipulation) which authorizes the Company to procure RNG on behalf of RTC
16 to meet its 3,333 Dekatherms/day Maximum Daily Quantity (MDQ) requirement.¹
17 Moreover, the Commission-approved Stipulation authorizes the Company to
18 participate in the Renewable Fuel Standard (RFS) Program to the extent needed
19 to ensure the generation of Renewable Identification Numbers (RINs) are
20 included in the Environmental Attributes deliverable to RTC under the RNG
21 Agreement.²

24 _____
25 ¹ See Order at Attachment 1 Paragraph 14, dated December 23, 2020, Docket No. 20-09004.

² Id. at paragraph 15.

1 **Q. 8 Describe the amendments the Company are proposing to the RNG**
2 **Agreement.**

3 A. 8 As provided in Exhibit No. MCC-1 attached hereto, the Company seeks
4 authorization to make the following amendments to the RNG Agreement in the
5 instant docket:

- 6 • Modify the “Primary Term” from the currently approved two (2) years to ten
7 (10) years; and
- 8 • Modify the RNG MDQ from the currently approved 3,333 Dekatherms/day to
9 5,000 Dekatherms/day.

10 All other terms of the RNG Agreement would remain the same and the Company
11 anticipates that all of the terms of the Stipulation would remain in place as well.

12 **Q. 9 Why are the proposed amendments necessary?**

13 A. 9 Southwest Gas is proposing the aforementioned amendments to the existing
14 RNG Agreement to assist RTC in meeting its “continuous effort to improve air
15 quality in Southern Nevada,”³ and to support its projected additional routes over
16 the ten-year period contemplated in the proposed revised Primary Term. Since
17 the Commission’s approval of the RNG Agreement, RTC has identified the need
18 to add approximately 40 additional compressed natural gas (CNG) buses to its
19 fleet by the end of 2023. The proposed MDQ increase in the RNG Agreement
20 allows the Company to purchase and deliver more RNG on RTC’s behalf. The
21 requested amendments are also in alignment with Southwest Gas’ commitment
22
23

24 ³ Agenda Item for RTC Board of Directors approval of RNG Agreement with Southwest Gas, Page 30-
25 39, available at <https://assets.rtcnv.com/wp-content/uploads/sites/3/2020/07/02173059/RTC-2020-07-09-Item-43-53.pdf>.

1 to deliver energy solutions to customers to achieve their carbon reduction and
2 environmental goals.

3 If approved, the modified RNG Agreement would increase the Company's
4 participation in the RFS as needed to support the RTC's increased MDQ and
5 extended Primary Term. In the event the Commission does not approve the
6 Company's request to increase the MDQ and Primary Term length in the instant
7 application, the RNG Agreement approved in Docket No. 20-09004 would
8 remain in place, as is.

9 **Q. 10 Is the Company proposing to modify its RNG purchasing approach as a**
10 **result of the proposed amendments to the RNG Agreement?**

11 A. 10 No. Consistent with the Commission-approved Stipulation in Docket 20-09004⁴,
12 the Company anticipates needing to make multiple RNG purchases in order to
13 fulfill RTC's MDQ and it anticipates those transactions will be subject to a
14 prudency review during the Company's Annual Rate Adjustment (ARA)
15 application filings. However, given the MDQ contemplated in the original RNG
16 Agreement is 3,333 Dekatherms/day, the Company seeks authority to make all
17 RNG purchases necessary on behalf of RTC to fulfill RTC's need for a 5,000
18 Dekatherms/day MDQ without the need for the Commission to conduct an
19 individual review of each constituent transaction.

20 **III. ENVIRONMENTAL BENEFITS**

21 **Q. 11 What are the environmental benefits associated with the approval of the**
22 **proposed amendments to the RNG Agreement?**

23
24
25 ⁴ See Order at Attachment 1, Paragraph 14, dated December 23, 2020, Docket No. 20-09004.

1 A. 11 As described in detail in the prepared direct testimony of Company witness John
2 R. Olenick in Docket No. 20-09004, substituting RNG for conventional natural
3 gas reduces greenhouse gas (GHG) emissions and substituting RNG for diesel
4 or gasoline provides even more reductions in GHG emissions.⁵

5 As described in Q&A 9 above, the RTC has identified a need to increase
6 its fleet by approximately 40 additional CNG vehicles by the end of 2023. By
7 replacing the CNG made from conventional natural gas with CNG made from
8 RNG, RTC will reduce its GHG emissions and help support the state of Nevada's
9 GHG emission reduction goals.⁶

10 **IV. COST RECOVERY**

11 **Q. 12 Would the Company's proposed amendments to the RNG Agreement**
12 **result in any impact to the existing cost recovery mechanisms that are in**
13 **place?**

14 A. 12 No. Consistent with the Commission approved Stipulation in Docket 20-09004,
15 RTC will pay the incremental costs of the RNG commodity and environmental
16 attributes procured on its behalf by the Company under the modified RNG
17 Agreement. Similarly, the incremental costs will be separately recorded in
18 Federal Energy Regulatory Commission (FERC) Account 191 subaccounts for
19 later recovery from RTC, and those transactions will be available for review in the
20 Company's future ARA proceedings.⁷ Thus, the rates to other customers will
21 remain unaffected by the RNG Agreement amendments as all the incremental
22 costs will be covered by payments from RTC.

24 ⁵ See the prepared direct testimony of John R. Olenick at Q&A 21 in Docket No. 20-09004.

25 ⁶ See the State of Nevada Climate Initiative located at <https://climateaction.nv.gov/our-goals/>

⁷ See Order at Attachment 1 Paragraph 13, dated December 23, 2020, Docket No. 20-09004.

1 **V. RATE IMPACT**

2 **Q. 13 Would the proposed amendments to the RNG Agreement result in any**
3 **impact on the Company's rate base or its total revenue requirement?**

4 A. 13 No. There is no capital investment by Southwest Gas associated with the
5 proposed amendments to the RNG Agreement. Consequently, Southwest Gas
6 does not believe that the proposed amendments contemplated in the instant
7 docket will change either its rate base or its total revenue requirement.

8 **Q. 14 How will Southwest Gas ensure that including the costs associated with**
9 **the proposed RNG Agreement amendments will not impact the BTER of**
10 **customers other than RTC?**

11 A. 14 Consistent with the accounting methodology approved for purchases the
12 Company makes for RTC under the existing Commission approved RNG
13 Agreement, Southwest Gas will continue to maintain a sole and separate
14 accounting of all RNG purchases made for RTC, including the incremental
15 purchases contemplated under the proposed RNG Agreement amendments.
16 Southwest Gas will continue to use a subaccount in FERC account 191 to track
17 the RNG purchases made for RTC. This separate accounting provides
18 Southwest Gas with the information needed to ensure that RTC's payments for
19 the RNG cover the costs that Southwest Gas incurs purchasing the RNG. Thus,
20 the BTER to other customers will remain unaffected by costs associated with the
21 RNG Agreement amendments as all of those costs will be borne by the RTC.

22 **Q. 15 Does this conclude your prepared direct testimony?**

23 A. 15 Yes.
24
25



21246

**FIRST AMENDMENT TO
SOUTHWEST GAS CORPORATION
RENEWABLE NATURAL GAS
PROCUREMENT AGREEMENT**

This First Amendment to the Southwest Gas Corporation Renewable Natural Gas Procurement Agreement 21246 ("First Amendment") is made and entered by and between SOUTHWEST GAS CORPORATION, a California corporation, (the "Utility") and REGIONAL TRANSPORTATION COMMISSION ("RTC") OF SOUTHERN NEVADA (the "Customer") (each referred to individually as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, the Utility and the Customer are parties to the Southwest Gas Corporation Renewable Natural Gas Procurement Agreement dated July 9, 2020 ("Agreement"), and

WHEREAS, pursuant to Article X of the Agreement, the Parties hereby desire to amend the Agreement as further described herein.

THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties hereby agree as follows:

1. This First Amendment is subject to approval by the Public Utilities Commission of Nevada ("PUCN") and the terms contained herein shall be effective upon PUCN approval. In the event the PUCN does not approve this First Amendment, then the Parties shall continue to operate pursuant to the terms of the Agreement without modification and this First Amendment shall be null.

2. Except as herein amended and modified, all the terms, conditions and provisions of the Agreement shall remain in full force and effect.

3. This First Amendment may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

4. Capitalized terms used herein without definition have the respective meanings specified in the Agreement.

5. The Parties agree to the following modifications to the Agreement:

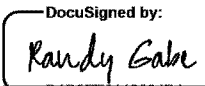
A. Article III of the Agreement is hereby revised to modify the "Primary Term" from the current length of two (2) years to ten (10) years. All other terms of Article III remain unchanged and in full force and effect.

B. Exhibit A to the Agreement is hereby revised to modify the RNG Maximum Daily Quantity from the current 3,333 Dekatherms to 5,000 Dekatherms. The effective date of this revision to Exhibit A shall be the first day of the first month following PUCN approval of this First Amendment.

The signatures of the duly authorized representatives of the Parties shown below indicate their acceptance of this First Amendment to the Agreement.

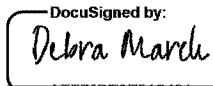
SOUTHWEST GAS CORPORATION

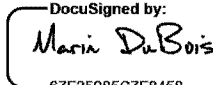
"Utility"

By: 
DocuSigned by: Randy Gabe
D1D9FF6711066412A...
 Title: Vice President/Gas Resources
 Date: 6/13/2022

RTC OF SOUTHERN NEVADA

"Customer"

By: 
DocuSigned by: Debra March
AEE79BE2E34C481...
 Title: Chairwoman
 Date: 6/9/2022

Attest:
 By: 
DocuSigned by: Marin DuBois
67F25985G7F0459...
 Marin DuBois
 Management Analyst



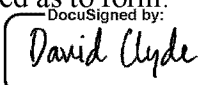
Approved as to form:
 By: 
DocuSigned by: David Clyde
C20A409B6B774C0...
 RTC Legal Counsel

EXHIBIT A
21246

**SOUTHWEST GAS CORPORATION
RENEWABLE NATURAL GAS
PROCUREMENT AGREEMENT**

<u>RATES:</u>	<u>Amount</u>
Schedule No. SG-G4 Basic Service Charge/Month:	Per Tariff
Schedule No. SG-G4 Demand Charge:	Per Tariff
Schedule No. SG-G4 Delivery Charge:	Per Tariff
Schedule No. SG-G4 Renewable Energy Program Rate:	Per Tariff
Schedule No. SG-G4 Infrastructure Expansion Rate:	Per Tariff

The RNG Maximum Daily Quantity (MaxDQ) shall be: 5,000 Dekatherms

Monthly, the Utility shall invoice Customer for, and Customer shall pay:

The then currently effective Basic Service Charge/Month; plus,

The then currently effective Demand Charge multiplied by the Customer's rolling twelve (12) month peak usage; plus,

The then currently effective Delivery Charge multiplied by the Customer's actual monthly usage; plus,

The then currently effective Renewable Energy Program Rate multiplied by the Customer's actual monthly usage; plus,

The then currently effective Infrastructure Expansion Rate multiplied by the Customer's actual monthly usage; plus,

The actual quantity of RNG and associated Environmental Attributes the Utility receives from the RNG supplier on behalf of Customer multiplied by \$20.00/MMBtu; plus,

All other incremental costs incurred by the Utility in purchasing the RNG procured by the Utility for the Customer for that month; plus,

The Customer's actual monthly usage during the Month multiplied by the sum of the Base Tariff Energy Rate plus the Deferred Energy Account Adjustment applicable to SG-G4 customers; plus,

Any adjustment for applicable state and federal taxes on fuel used for motor vehicles.

The "**Delivery Period**" shall begin on September 1, 2021 and shall continue until the termination of that Southwest Gas Corporation Renewable Natural Gas Procurement Agreement between Southwest Gas Corporation and Regional Transportation Commission of Southern Nevada ("RTC") dated July 9, 2020 ("Procurement Agreement"), but no later than December 31, 2031.

EXHIBIT A
21246

Minimum Daily Quantity ("MinDQ"): 0 MMBtu/Day. Seller shall sell and deliver at least the MinDQ of RNG from the Project(s) during the Delivery Period.

Utility shall sell and deliver to the Delivery Point, and Customer shall purchase and receive at the Delivery Point, the MinDQ and up to the MaxDQ of RNG and Environmental Attributes unless otherwise agreed upon by Customer and Utility but at the same quantities in the Transaction Confirmation between Utility, as a buyer, and the third-party RNG seller to Utility.

The Delivery Point is Kern River, Blue Diamond (2-4016).

"Environmental Attributes" means any and all environmental attributes, including the avoidance of Lifecycle Greenhouse Gas Emissions, associated with the use of RNG as an Advanced Biofuel, Cellulosic Biofuel, low carbon fuel or Alternative Fuel, including but not limited to any and all attributes required to generate RINs or Q-RINs and including any and all reporting rights associated therewith.

"RIN" stands for "Renewable Identification Number" and is a number generated to represent a volume of renewable fuel as set forth in Regulation of Fuels and Fuel Additives: Changes to Renewable Fuel Standard Program, 75 Fed. Reg. 16484 (March 26, 2010) (codified at 40 C.F.R. § 80.1425 (2011), as amended, restated or supplemented from time to time); 40 C.F.R. § 80.1426 (2012), as amended, restated or supplemented from time to time)).

"Q-RIN" means a RIN that has been reviewed and validated by an approved QAP provider.

"QAP" stands for "Quality Assurance Plan" and means the voluntary RIN validation program whereby independent third parties audit the production of the renewable fuel and monitor on a monthly and quarterly basis to ensure that RINs have been validly generated, which as applies to RINs under the EPA RFS was published on July 18, 2014 (at 79 Fed. Reg. 42078) and which became effective on September 16, 2014.

"Lifecycle Greenhouse Gas Emissions" means the aggregate quantity of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substances or combination of substances that may become regulated as greenhouse gases under any federal, state or local laws, in each case measured in increments of one metric tonne of carbon dioxide equivalent (collectively, "Greenhouse Gases"), emissions, as determined by the EPA or another regulatory agency, related to the full fuel lifecycle, where mass values for all Greenhouse Gases are adjusted to account for their relative global warming potential.

Effective Date: The effective date of this Exhibit A shall be the first day of the first month following approval by the Public Utilities Commission of Nevada of the First Amendment to the Procurement Agreement.

EXHIBIT A
21246

Date of Execution:

SOUTHWEST GAS CORPORATION

By: DocuSigned by: "Utility"
Randy Gabe
DT09FF6110664D4
Randy Gabe
Title: Vice President/Gas Resources
Date: 6/13/2022

RTC OF SOUTHERN NEVADA

By: DocuSigned by: "Customer"
Debra March
AEE79BE2E54C281
Debra March
Title: Chairwoman
Date: 6/9/2022

Attest: DocuSigned by:
Marin DuBois
67F25985C7F8458
Marin DuBois
Management Analyst

Approved as to form: DocuSigned by:
David Clyde
620A460B6B774C0
RTC Legal Counsel

EXHIBIT 2

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Southwest Gas Corporation for approval)
of renewable natural gas activity related to a Renewable)
Natural Gas Procurement Agreement with the Regional)
Transportation Commission of Southern Nevada.)
_____)

Docket No. 20-09004

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on December 22, 2020.

PRESENT: Chair Hayley Williamson
Commissioner C.J. Manthe
Commissioner Tammy Cordova
Assistant Commission Secretary Trisha Osborne

ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following
findings of fact and conclusions of law:

I. INTRODUCTION

On September 3, 2020, Southwest Gas Corporation ("SWG") filed with the Commission an application, designated as Docket No. 20-09004 ("Application"), for approval of renewable natural gas ("RNG") activity related to a Renewable Natural Gas Procurement Agreement with the Regional Transportation Commission of Southern Nevada ("RTC").

On November 25, 2020, SWG and the Regulatory Operations Staff ("Staff") of the Commission (collectively, the "Parties") filed a revised stipulation (the "Stipulation").

II. SUMMARY

The Commission accepts the Stipulation, attached hereto as Attachment 1, and grants the Application.

III. PROCEDURAL HISTORY

- On September 3, 2020, SWG filed the Application.

- SWG filed the Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 703 and 704, and including but not limited to NRS 704.9997 and the Regulations adopted in Legislative Council Bureau File No. R117-19.
- Staff participates as a matter of right, pursuant to NRS 703.301.
- On September 11, 2020, the Commission issued a Notice of Application for Approval of Natural Gas Activity and Notice of Prehearing Conference.
- On October 9, 2020, the Hearing Officer held a prehearing conference. The Parties made appearances and discussed a procedural schedule, including a continued prehearing conference.
- On October 13, 2020, the Hearing Officer issued a Procedural Order establishing a procedural schedule.
- On November 3, 2020, the Hearing Officer held a continued prehearing conference. The Parties made appearances and discussed an additional continued prehearing conference.
- On November 24, 2020, the Parties filed a Stipulation.
- On November 25, 2020, the Parties filed a Revised Stipulation containing Exhibit A that was inadvertently omitted from the originally filed Stipulation.
- On November 30, 2020, the Hearing Officer held a continued prehearing conference. The Parties made appearances and discussed the Stipulation. At the conclusion of the prehearing conference, the Hearing Officer granted an oral motion to accept Exhibit Nos. 1-2 into the record pursuant to NAC 703.730. The Hearing Officer also granted an oral motion to vacate the remainder of the procedural schedule established in the Procedural Order pursuant to NAC 703.690.

IV. STIPULATION

Parties’ Position

1. The Parties recommend that the Commission approve the RNG Agreement which is attached to the Stipulation as Exhibit A. (Ex. 2 at 2). The RNG requires RTC to pay for the incremental costs of commodity natural gas and Environmental Attributes (as defined in NRS 704.9993), procured on RTC’s behalf pursuant to the RNG Agreement and any upstream pipeline transportation, storage, and fuel costs as well as any other incremental costs incurred in securing the supply and Environmental Attributes for RTC under the RNG Agreement. (*Id.* at

2-3).

2. The Stipulation provides that SWG shall separately record the incremental costs outlined above in subaccounts of Account 191 for later recovery from RTC. and that those transactions will be available for Staff and other parties to review in SWG's Annual Rate Adjustment ("ARA") proceeding. (*Id.* at 3).

3. The Stipulation further provides that the supplies procured under the RNG Agreement will displace conventional natural gas procured for SWG customers, the costs of which are typically recovered through the Base Tariff Energy Rate ("BTER"), and that throughout the term of the RNG Agreement, RTC will continue to pay all applicable current and future rates schedules and surcharges applicable to SG-G4 rate class customers. (*Id.*).

4. The Parties also recommend that the Commission authorize SWG to procure RNG on behalf of RTC on an ongoing basis without the need for separate Commission approvals so long as the RNG remains in place, recognizing that SWG will need to complete multiple transactions in order to fulfill RTC's 3,333 Dth/day Maximum Daily Quantity and deliver agree-upon Environmental Attributes to RTC. The Parties agree that SWG should be authorized to conduct all of the transactions needed to fulfill the RNG Agreement without the need for the Commission to conduct an individual review of each constituent transaction. Those transactions will be subject to a prudence review during SWG's ARA proceedings, including an audit by Staff to ensure that incremental costs incurred to fulfill the RNG Agreement are separately tracked and recovered from RTC. (*Id.*).

5. Additionally, the Parties recommend that the Commission authorize SWG to participate in the federal Renewable Fuel Standard ("RFS") Program to the extent necessary to ensure the generation of Renewable Identification Numbers ("RINs") that are included in the

Environmental Attributes deliverable to RTC under the RNG Agreement, and that all incremental costs SWG incurs, if any, related to generating, buying, and selling RINs will be allocatable to RTC. (*Id.* at 4).

6. The Stipulations also provides that SWG is not, through the Application, contemplating the physical interconnection of any RNG production facility with SWG's Nevada distribution system, and that in the event SWG seeks to construct an interconnection with an RNG production facility that would physically inject RNG into SWG's Nevada distribution system, SWG will make a separate application to the Commission pursuant to Schedule No. SG-RNG/NG-RNG. (*Id.*).

7. The Parties recommend that the Commission issue a Directive requiring SWG to file with the Commission, as a part of their ARAs, every contract for supply, Environmental Attributes, or other RNG-related products procured pursuant to the RNG Agreement, allowing for confidential filing of items containing terms requiring confidentiality. (*Id.* and Tr. at 16.)

8. Finally, the Parties recommend the Commission find that the RNG Agreement, and SWG's participation in the federal RFS Program, will provide for the reduction of RTC's greenhouse gas emissions in Nevada and the Application should, therefore, be approved pursuant to NRS 704.9997(2)(a). (Ex. 2 at 4).

Commission Discussion and Findings

9. The Commission finds that the Stipulation complies with the requirements of NAC 703.845, in that it settles only issues relating to the instant proceeding and does not seek relief the Commission is not otherwise empowered to grant. The Stipulation is a consensus resolution of the issues pursuant to the Parties' negotiations and is a reasonable recommendation and resolution of the issues in this proceeding.

10. All arguments of the Parties raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order. Any agreements and recommendations contained in the Stipulation, but not expressly addressed herein, are either agreements by the Parties regarding matters non-essential to the disposition of this Docket or are recommendations for specific findings that do not require delineation given the Commission's acceptance of the Stipulation and corresponding approval of the Application.

THEREFORE, it is ORDERED:

1. The Stipulation filed by Southwest Gas Corporation and the Regulatory Operations Staff of the Commission, attached hereto as Attachment 1, is ACCEPTED.
2. The Application of Southwest Gas Corporation, designated as Docket No. 20-09004, is GRANTED AS MODIFIED by the Stipulation.
3. The Commission's acceptance of the Stipulation does not constitute precedent regarding any legal or factual issue.

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Directives:

4. Southwest Gas Corporation shall file with the Commission, as a part of their Annual Rate Adjustment filings, every contract for supply, Environmental Attributes, or other Renewable Natural Gas-related products procured pursuant to the Renewable Natural Gas Agreement. If such contract for supply, Environmental Attributes, or other Renewable Natural Gas-related products procured pursuant to the Renewable Natural Gas Agreement includes terms requiring confidentiality, Southwest Gas Corporation shall be permitted to file such information confidentially with the Commission.

By the Commission,




HAYLEY WILLIAMSON, Chair



C.J. MANTHE, Commissioner



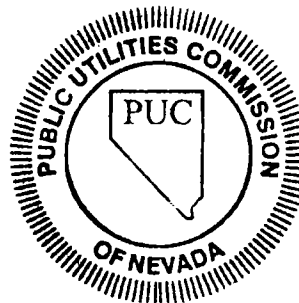
TAMMY CORDOVA, Commissioner

Attest: 
TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

12/23/20

(SEAL)



ATTACHMENT 1

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

2
3 Application of Southwest Gas Corporation for approval of
4 renewable natural gas activity related to a Renewable
5 Natural Gas Procurement Agreement with the Regional
6 Transportation Commission of Southern Nevada. /

Docket No. 20-09004

7 **STIPULATION**

8 This Stipulation is entered into by and between the Regulatory Operations Staff ("Staff") of the
9 Public Utilities Commission of Nevada ("Commission") and Southwest Gas Corporation ("SWG")
10 (collectively referred to as the "Parties"). The Parties submit this Stipulation to the Commission in full
11 settlement of the matters at issue.

12 **INTRODUCTION**

13 1. On September 3, 2020, SWG filed its Application for Approval of Renewable Natural Gas
14 Activity Related to a Renewable Natural Gas Procurement Agreement with the Regional Transportation
15 Commission of Southern Nevada ("Application"), which is the subject of this Stipulation. The terms and
16 conditions of this Stipulation are set forth herein.

17 2. The Parties agree that this Stipulation represents a reasonable compromise in this
18 proceeding and that this Stipulation is in the public interest. The Parties represent that, in accordance with
19 Nevada Administrative Code ("NAC") § 703.845, this Stipulation settles only issues relating to the above-
20 captioned proceeding and does not seek relief that the Commission is not otherwise empowered to grant.
21 Therefore, the Parties recommend that the Commission accept this Stipulation and implement all of its
22 terms and conditions.

23 **RECITALS**

24 3. On September 3, 2020, SWG filed the Application in Docket No. 20-09004.

25 4. The Application requests an Order that: (i) approves a Renewable Natural Gas ("RNG")
26 Procurement Agreement between SWG and the Regional Transportation Commission of Southern Nevada
27 ("RTC"), (ii) authorizes SWG to procure RNG on behalf of RTC without the need for separate
28 Commission review and approval of each procurement, and (iii) authorizes SWG to participate in the
 federal Renewable Fuel Standard Program ("RFS"). The Application states that the Commission's

1 approval of the RNG Procurement Agreement between SWG and RTC ("RNG Agreement") will not
2 impact SWG's other customers' rates because RTC will pay all incremental costs for procuring the RNG.
3 Additionally, the Application contends that approving the RNG Agreement will not impact SWG's rate
4 base or revenue requirement because the RNG Agreement does not include the construction of any
5 facilities and only relates to gas costs.¹

6 5. Under Nevada Revised Statutes ("NRS") § 703.301, Staff participates in this proceeding
7 as a matter of right.

8 6. On September 11, 2020, the Commission issued a Notice of Application and Notice of
9 Prehearing Conference ("Notice").

10 7. Pursuant to the Notice, Petitions for Leave to Intervene were due by October 7, 2020. No
11 such Petitions were filed.

12 8. On October 9, 2020, the Commission held a prehearing conference. The Parties appeared
13 and discussed a procedural schedule.

14 9. On October 13, 2020, the Commission issued a Procedural Order.

15 10. On November 3, 2020, the Commission held a continued prehearing conference ("CPHC").
16 The Parties appeared at the CPHC, provided the Commission with a status update, and requested another
17 CPHC to be held on November 30, 2020, at 10:00 a.m.

18 11. The Parties have engaged in settlement discussions regarding the Application.

19 12. The Parties agree that this Stipulation is a reasonable resolution of the issues raised in the
20 Application and that Commission approval of this Stipulation is in the public interest.

21 AGREEMENT

22 NOW THEREFORE, in light of the foregoing recitals and mutual agreement reflected in this
23 Stipulation, the Parties agree and recommend that the Commission approve the Application subject to the
24 terms and conditions of this Stipulation.

25 13. The Parties agree and recommend that the Commission approve the RNG Agreement. A
26 true and correct copy of the RNG Agreement is attached hereto as Exhibit A. The RNG Agreement
27

28 ¹ The Application is the first time that a utility has requested the Commission to approve RNG activities
under NRS §§ 704.9991 – 704.9997.

1 requires RTC to pay for the incremental costs of commodity natural gas and Environmental Attributes²
2 procured on RTC's behalf under the RNG Agreement and any upstream pipeline transportation, storage,
3 and fuel costs as well as any other incremental costs incurred in securing the supply and Environmental
4 Attributes for RTC under the RNG Agreement.

- 5 a. The Parties agree that all of these incremental costs will be separately recorded by
6 SWG in subaccounts of Account 191 for later recovery from RTC, and these
7 transactions will be available for Staff and other parties to review as part of SWG's
8 Annual Rate Adjustment ("ARA") proceeding.
- 9 b. The supplies procured under the RNG Agreement will displace conventional
10 natural gas procured for SWG customers, the costs for which are typically
11 recovered through the Base Tariff Energy Rate ("BTER").
- 12 c. Throughout the term of the RNG Agreement, RTC will continue to pay all
13 applicable current and future rates schedules and surcharges applicable to SG-G4
14 rate class customers.

15 14. The Parties agree and recommend that the Commission authorize SWG to procure RNG
16 on behalf of RTC on an ongoing basis without the need for separate Commission approvals so long as the
17 RNG Agreement remains in place. The Parties agree that SWG will need to complete multiple transactions
18 in order to fulfill RTC's 3,333 Dth/day Maximum Daily Quantity and deliver agreed-upon Environmental
19 Attributes to RTC. Therefore, in order to provide administrative efficiency, the Parties agree SWG should
20 be authorized to conduct all of the transactions needed to fulfill the RNG Agreement without the need for
21 the Commission to conduct an individual review of each constituent transaction. The Parties agree SWG
22 will still be subject to a prudency review of all transactions, including those conducted under the RNG
23 Agreement to fulfill RTC's demand, during the SWG ARA Proceeding. The Parties agree that this review
24 will include an audit completed by Staff to ensure that incremental costs incurred to fulfill the RNG
25 Agreement are separately tracked and recovered from RTC.

26
27 ² As used in this Stipulation, the phrase "Environmental Attributes" shall have the meaning ascribed to it
28 in NRS § 704.9993. Specifically, NRS § 704.9993 defines "environmental attributes" as "any credits,
emissions reductions, offsets, allowances or any other benefits attributable to the production and delivery
of renewable natural gas."

1 15. The Parties agree and recommend that the Commission authorize SWG to participate in
2 the federal RFS Program to the extent needed to ensure the generation of Renewable Identification
3 Numbers (“RINs”) that are included in the Environmental Attributes deliverable to RTC under the RNG
4 Agreement.³ The Parties agree that all incremental costs SWG incurs, if any, related to generating, buying,
5 and selling RINs will be allocable to RTC.

6 16. The Parties agree that SWG is not—through the Application—contemplating the physical
7 interconnection of any RNG production facility with SWG’s Nevada distribution system. In the event
8 SWG seeks to construct an interconnection with an RNG production facility that would physically inject
9 RNG into SWG’s Nevada distribution system, SWG agrees to make a separate application to the
10 Commission pursuant to Schedule No. SG-RNG/NG-RNG.

11 17. The Parties agree and recommend that SWG shall be subject to a Commission Directive
12 requiring SWG to file with the Commission each contract for supply, Environmental Attributes, or other
13 RNG-related products procured pursuant to the RNG Agreement. If such contract for supply,
14 Environmental Attributes, or other RNG-related products procured pursuant to the RNG Agreement
15 includes terms requiring confidentiality, SWG shall be permitted to file such information confidentially
16 with the Commission.

17 18. The Parties agree that the RNG Agreement—and SWG’s participation in the federal RFS
18 Program—will provide for the reduction of RTC’s greenhouse gas emissions in Nevada. As a result, the
19 Parties agree and recommend that the Commission approve the Application pursuant to NRS
20 704.9997(2)(a).

21 19. This Stipulation embodies the entire agreement between the Parties regarding the matters
22 contemplated under this Stipulation, and there have been and are no other agreements, representations, or
23 restrictions between the Parties with respect to the subject matter of this Stipulation other than those
24 specifically set forth herein.

25 20. Neither this Stipulation, nor its terms, nor the Commission’s acceptance of the
26 recommendations contained in this Stipulation, shall have any precedential effect in any other proceeding
27

28 ³ All the Environmental Attributes procured on behalf of RTC under the RNG Agreement will be
compliant with the definition in NRS § 704.9993.

1 before the Commission, a court of law, or any other state government regulatory body, nor shall it be
2 admissible or otherwise described or used in any proceeding hereafter for any purpose.

3 21. This Stipulation constitutes a negotiated settlement. No provision of this Stipulation is
4 severable. If the Commission does not accept this Stipulation, then: (i) this Stipulation shall be withdrawn
5 without prejudice to any claims or contentions that may have been made or are made in this Docket, (ii)
6 no part of this Stipulation shall be admissible as evidence in any proceeding before the Commission or
7 any other tribunal, and (iii) the Parties shall not be bound by any of the provisions of the withdrawn
8 Stipulation.


9 22. All negotiations relating to this Stipulation are privileged and confidential, and no Party
10 shall be bound by any position asserted in the negotiations, except to the extent expressly stated in this
11 Stipulation. Conduct, statements, and documents disclosed in the negotiation of this Stipulation shall not
12 be admissible as evidence in this Docket or any other proceeding.

13 23. The Parties agree that due to this Stipulation, Staff will not file direct testimony that is due
14 December 2, 2020, and SWG will not file rebuttal testimony that is due January 6, 2021. The Parties agree
15 that the hearing date set for January 20, 2021, should be vacated due to this Stipulation.


16 24. The Parties represent and declare that they have read this Stipulation, know the contents
17 thereof, and signed this Stipulation freely and voluntarily.

18 25. This Stipulation may be executed in one or more counterparts, all of which together shall
19 constitute the original executed document. This Stipulation may be executed by the Parties by electronic
20 transmission, which signatures shall be as binding and effective as original signatures.

21 IN WITNESS WHEREOF, each of the Parties has executed this Stipulation by and through its duly
22 authorized representative on the stated dates.

23
24 By:  _____
25 Jose N. Panoff, Esq.
Assistant Staff Counsel

Dated: 11-24-20

26
27 By:  _____
28 Dana R. Walsh, Esq.
Associate General Counsel for Southwest Gas Corporation

Dated: 11-24-20

Exhibit A



21246

**SOUTHWEST GAS CORPORATION
RENEWABLE NATURAL GAS
PROCUREMENT AGREEMENT**

This Renewable Natural Gas Procurement Agreement ("Agreement") is made and entered into by and between SOUTHWEST GAS CORPORATION, a California corporation, (the "Utility") and REGIONAL TRANSPORTATION COMMISSION ("RTC") OF SOUTHERN NEVADA (the "Customer") (each referred to individually as a "Party" and collectively as the "Parties").

The Utility's Nevada Gas Tariff ("Tariff") as authorized by and on file with the Public Utilities Commission of Nevada ("PUCN") shall apply to the transaction to be performed hereunder and is hereby incorporated by reference into this Agreement. Nothing in this Agreement shall be construed in any manner as limiting or modifying the rights or obligations of either Party under the Utility's Tariff. This Agreement, all terms and provisions contained or incorporated herein, and the respective obligations of the Parties hereunder are further subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction over the subject matter of this Agreement. This Agreement shall at all times be subject to such changes or modifications by the PUCN as it may from time to time direct in the exercise of its jurisdiction.

Customer is a current customer of Utility served under Schedule No. SG-G4 of the Tariff. Customer desires to utilize a supply of renewable natural gas ("RNG") as part of the natural gas that Utility provides to Customer. This Agreement addresses the terms by which Utility will seek to procure a supply of RNG for Customer.

In consideration of the mutual covenants and agreements as herein set forth, the Utility and the Customer agree as follows:

ARTICLE I – NATURAL GAS SERVICE

Subject to the terms, conditions and limitations hereof, Utility agrees to continue to sell and deliver to the Customer, and the Customer agrees to continue to receive, purchase and pay for natural gas volumes, including any RNG quantities, purchased and delivered by the Utility to the Customer. Delivery of natural gas by the Utility shall be to the Customer's existing natural gas meters at the Delivery Points described below and shall be in accordance with the Tariff and this Agreement.

Delivery Point(s)

3304 Citizen Ave., North Las Vegas, NV 89032
5165 W Sunset Rd, Las Vegas, NV 89118

ARTICLE II - APPLICABLE RATES AND RATE SCHEDULE

As referenced above, Customer receives sales service from Utility under Utility's Schedule No. SG-G4, as approved by the PUCN and as may be amended or superseded from time to time. This Agreement does not change the schedule under which Customer is served; instead, this Agreement enumerates the provisions whereby Utility will procure specific quantities of RNG for Customer that will be in addition to any quantities of natural gas Utility sells to Customer. This Agreement must be reviewed and approved by the Commission prior to Utility's procurement of RNG for Customer.

Customer shall be responsible for the costs associated with Utility's procurement of RNG for Customer. The commodity charge per therm for the Utility's procurement of RNG for Customer may vary depending on the terms and conditions of the procurement of the RNG, but in no event shall the commodity charge per therm be less than the sum of (a) the weighted average cost of gas purchased from suppliers on behalf of the customer; (b) any upstream pipeline capacity or volumetric charges, including an allowance for pipeline shrinkage, incurred to deliver such supply to the Utility's mainline delivery point; and (c) an amount to reflect distribution system shrinkage. A sole and separate accounting of RNG purchases for Customer shall be maintained by the Utility. The rates to be charged Customer are set forth in Exhibit A attached hereto and incorporated herein by this reference.

ARTICLE III - TERM OF AGREEMENT

This Agreement is subject to approval by the PUCN. This Agreement shall become effective upon the date of approval by the Commission (the "Effective Date"). This Agreement shall remain in effect for a primary term of two (2) years ("Primary Term") and shall continue after the expiration of the Primary Term on a month to month basis until termination by either Party as provided herein. Either Party may terminate this Agreement during the Primary Term by providing at least ninety (90) days' advance written notice to the other Party, subject to any outstanding commitments to purchase and deliver RNG from a third-party provider and to pay for the costs associated with such procurement as required by this Agreement. Upon the expiration of the Primary Term, either Party may terminate this Agreement by providing at least thirty (30) days' written notice to the other Party on the first day of any calendar month, subject to any outstanding commitments to purchase and deliver RNG from a third-party provider and to pay for the costs associated with such procurement as required by this Agreement.

Customer shall begin service under this Agreement on the first day of the first month following the Effective Date, unless the date upon which the PUCN approves this Agreement does not afford Customer the opportunity to comply with the six (6) business day advance notice for daily and monthly quantity requirements set forth in Exhibit A. In which case, Customer shall begin service under this Agreement on the first day of the second month following the Effective Date.

ARTICLE IV - NOTICES

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered personally, by mail, overnight delivery service or facsimile with all postage and charges prepaid, to either Customer or Utility at the place designated. Routine communications shall be considered as duly delivered when received by

ordinary mail. Normal operating instructions can be made by telephone. Unless changed, the addresses of the Parties are as follows:

SOUTHWEST GAS CORPORATION

Attn: Key Account Management LVB-106
5241 Spring Mountain Rd.
Las Vegas, NV 89150
Ph. No. 702-364-3236
Fax No. 702-365-5904
Email: KeyAccountManagement@swgas.com

RTC OF SOUTHERN NEVADA

Attn: Marc Traasdahl, CFO
600 S. Grand Central Parkway, Suite 350
Las Vegas, NV 89106
Ph. No. (702) 676-1631
Fax No. N/A
Email: TraasdahlM@rtcsmv.com

Either Party may change its address at any time upon written notice to the other.

ARTICLE V - OTHER OPERATING PROVISIONS

Customer and Utility agree that Utility will procure, on Customer's behalf, a mutually acceptable specific daily quantity of RNG for Customer's use. The mutually acceptable daily quantity of RNG will be set forth on Exhibit A to this agreement and shall be known as the RNG Maximum Daily Quantity (hereinafter referred to as "RNG MDQ"). In addition to the RNG MDQ, Exhibit A to this Agreement will include the RNG procurement term, RNG procurement price, and other terms related to the Utility's purchase of RNG for Customer. Exhibit A may be superseded by a new Exhibit A upon the expiration of the RNG procurement term. Any Exhibit A to this Agreement does not require approval by the Commission but is required to be executed by representatives from Utility and Customer.

Utility will transport such RNG from the location where the Utility takes title to the RNG from the RNG supplier(s) through all required upstream pipeline facilities to Utility's southern Nevada distribution system and Utility will then deliver the RNG and Environmental Attributes to Customer at the interconnection point between Utility's distribution system and Customer's facilities (Delivery Point(s)). Title of the RNG and Environmental Attributes will transfer from Utility to Customer at the Delivery Point(s).

The RNG MDQ that Utility will procure for Customer will be mutually determined by Customer and Utility based on Customer's requirements and the market availability of RNG. Monthly, the Utility shall invoice the Customer, and Customer shall pay, the costs of the actual quantity of RNG received from the RNG supplier(s) on behalf of Customer by the unit cost the Utility pays to the RNG supplier(s) plus the Delivery Charge, Renewable Energy Program Rate, and Infrastructure Expansion Rate provided in Schedule Number SG-G4 of the Tariff. In addition, the Utility shall invoice Customer, and Customer shall pay, the actual cost of all upstream transportation charges, a per unit charge for reimbursement for in-kind-fuel taken by upstream pipelines based on the Utility's estimated weighted average cost of gas for the month, and all other incremental costs, if any, incurred in purchasing the Procured RNG for that month.

Any quantities of natural gas (other than RNG) that Utility delivers to Customer during a calendar month shall be sold to Customer by Utility at Customer's otherwise applicable rate schedule, as modified from time to time (See Nevada Gas Tariff No. 7, Schedule Number SG-G4).

If during any calendar month Customer takes delivery at the Delivery Point(s) of a quantity that is less than the actual quantity of RNG received from the RNG supplier(s) on behalf of Customer during that month plus any Undelivered RNG Carried Over (defined below) (such aggregate quantity of RNG, the "Cumulative Monthly Quantity"), the difference between the Cumulative Monthly Quantity and the actual quantity of RNG delivered to Customer in such calendar month (such difference, the "Undelivered RNG Carried Over") shall be carried forward and delivered to Customer in the immediately following month. Any Undelivered RNG Carried Over shall be considered first through the meter during the following month.

ARTICLE VI - REGULATORY REQUIREMENTS

This Agreement, all terms and provisions contained or incorporated herein, and the respective obligations of the Parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction over the subject matter of this Agreement. This Agreement shall at all times be subject to such changes or modifications by the PUCN as it may from time to time direct in the exercise of its jurisdiction.

Customer shall not knowingly take any action that would subject Utility to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"), the Department of Energy, or any successor governmental agency. Any such action shall be cause for immediate termination of this Agreement. Should the PUCN or any other regulatory or successor governmental agency having jurisdiction impose by rule, order or regulation any terms or conditions upon this Agreement which are not mutually satisfactory to the Parties, then either Party upon the issuance of such rule, order or regulation, and notification to the other Party, may terminate this Agreement by giving thirty (30) days written notice, subject to any outstanding commitments to purchase and deliver RNG from a third-party provider and to pay for the costs associated with such procurement as required by this Agreement.

Utility shall file this Agreement with the PUCN requesting approval thereof. The Parties hereby agree to support all elements of this Agreement in proceedings before the PUCN, and to advocate in good faith that the PUCN approve this Agreement in its entirety. The Parties agree to present hearing testimony and evidence in support of this Agreement to the extent requested by the PUCN and to acknowledge that their support and advocacy of the Agreement is based upon the Agreement as a whole, in its entirety, and not based upon its individual components viewed in isolation.

ARTICLE VII - SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may be assigned or transferred by either Party with the written consent of the other Party. Such approval shall not be unreasonably withheld. As

between the Parties hereto, such assignment shall become effective on the next regularly scheduled meter read date following receipt of written notice that such assignment has been effectuated.

ARTICLE VIII - RULES

The standard Rules of Utility as authorized by and on file with the PUCN in the Utility's Nevada Gas Tariff shall apply to the transaction to be performed hereunder, and are hereby incorporated by reference into this Agreement, except as otherwise provided in this Agreement.

ARTICLE IX – RELATIONSHIP OF THE PARTIES

Nothing in this Agreement shall be construed to create any partnership, joint venture, employment relationship, franchise, or agency as between the Parties. The relationship of the Parties hereunder shall be that of independent parties. Neither Party is intended to have, nor shall any Party represent to any other person that it has any power, right or authority to bind the other Party, or to assume or create any obligation or responsibility, express or implied, on behalf of the other Party, except as expressly required or authorized by this Agreement, or as otherwise permitted in writing.

Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties to the Agreement and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to the Agreement, nor shall any provision give any third person the right of subrogation or action over any Party to the Agreement.

ARTICLE X - MODIFICATIONS

Modifications or changes to this Agreement must be in writing and signed by both Parties. In the event the PUCN rejects or will not approve the Agreement absent material alterations to the Agreement, the Parties hereby agree to meet and confer within ten business (10) days of the PUCN decision to discuss the alterations that would need to be made to the Agreement in order for the PUCN to approve it, and if they are unable to make mutually acceptable modifications to the Agreement either Party may terminate this Agreement without further notice or liability, rendering it null and void.

ARTICLE XI - SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner so as to be effective and valid under applicable law. If any provision of this Agreement shall be deemed to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity. Such prohibition or invalidity shall not invalidate the remainder of the provision or the other provisions of this Agreement.

ARTICLE XII – CUMULATIVE RIGHTS; NO WAIVER OF RIGHTS

Each and every right granted to a Party or allowed by law or equity shall be cumulative and not exclusive. No failure to exercise, or a delay in exercising any right, will operate as a waiver thereof, nor will any single or partial excuse of any right by a Party preclude any other or future exercise thereof or the exercise of any other right.

ARTICLE XIII – GOVERNING LAW

This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Nevada, without consideration of its choice of law provisions.

ARTICLE XIV – ENTIRE AGREEMENT

This Agreement, inclusive of Exhibit A, constitutes the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SOUTHWEST GAS CORPORATION

“Utility”

By:

DocuSigned by:

Jose Esparza

Jose L. Esparza Jr.

Title:

Senior Vice President, Information
Services / Customer Engagement

Date:

July 9, 2020

RTC OF SOUTHERN NEVADA

“Customer”

By:

DocuSigned by:

Lawrence L. Brown III

Lawrence L. Brown, III
Chair

Title:

Date:

July 9, 2020

Attest:

By:

DocuSigned by:

Marin DuBois

Marin DuBois
Management Analyst

Approved as to form:

By:

DocuSigned by:

David Clyde

RTC Legal Counsel



EXHIBIT A
21246

**SOUTHWEST GAS CORPORATION
RENEWABLE NATURAL GAS
PROCUREMENT AGREEMENT**

<u>CURRENT EFFECTIVE RATES:</u>	<u>Amount</u>
Schedule No. SG-G4 Basic Service Charge/Month, currently:	\$1,000.00/Month
Schedule No. SG-G4 Demand Charge, currently:	\$0.04400/therm
Schedule No. SG-G4 Delivery Charge, currently:	\$0.03896/therm
Schedule No. SG-G4 Renewable Energy Program Rate, currently:	\$0.00186/therm
Schedule No. SG-G4 Infrastructure Expansion Rate, currently:	\$0.00004/therm

The RNG Maximum Daily Quantity shall be: 3,333 Dekatherms

Monthly, the Utility shall invoice Customer for, and Customer shall pay:

The then currently effective Basic Service Charge/Month; plus,

The then currently effective Demand Charge multiplied by the Customer's rolling twelve (12) month peak usage; plus,

The then currently effective Delivery Charge multiplied by the Customer's actual monthly usage; plus,

The then currently effective Renewable Energy Program Rate multiplied by the Customer's actual monthly usage; plus,

The then currently effective Infrastructure Expansion Rate multiplied by the Customer's actual monthly usage; plus,

The actual quantity of RNG the Utility receives from the RNG supplier(s) on behalf of Customer multiplied by the unit cost the Utility pays to the RNG supplier(s) for such RNG; plus,

All applicable Upstream Pipeline Costs associated with the delivery of any RNG supplied under the Procurement Agreement to the Utility's interconnections with upstream pipelines; plus,

Reimbursement for in-kind-fuel taken by upstream pipelines associated with the transportation of the RNG on upstream pipelines based on the Utility's estimated weighted average costs of gas for the month; plus,

All other incremental costs incurred by the Utility in purchasing the RNG procured by the Utility for the Customer for that month; plus,

EXHIBIT A

21246

Any natural gas deliveries other than RNG during the Month multiplied by the sum of the Base Tariff Energy Rate plus the Deferred Energy Account Adjustment applicable to SG-G4 customers; plus,

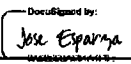
Any adjustment for applicable state and federal taxes on fuel used for motor vehicles.

Effective Date:

Date Issued: _____ (original)

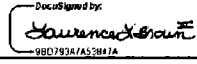
SOUTHWEST GAS CORPORATION

“Utility”

By: 
 Title: Jose L. Esparza Jr.
Senior Vice President, Information
Services / Customer Engagement
 Date: July 9, 2020

RTC OF SOUTHERN NEVADA

“Customer”

By: 
 Title: Lawrence L. Brown, III
Chairman
 Date: July 9, 2020

Attest:

By: 
Marin DuBois
Management Analyst

Approved as to form:

By: 
RTC Legal Counsel

**PUBLIC UTILITIES COMMISSION OF NEVADA
DRAFT NOTICE
(Applications, Tariff Filings, Complaints, and Petitions)**

Pursuant to Nevada Administrative Code (“NAC”) 703.162, the Commission requires that a draft notice be included with all applications, tariff filings, complaints and petitions. Please include **ONE COPY** of this form with your filing. (Completion of this form may require the use of more than one page.)

A title that generally describes the relief requested (see NAC 703.160(4)(a)):

Application of Southwest Gas Corporation for Approval of Amendment to Renewable Natural Gas Procurement Agreement with the Regional Transportation Commission of Southern Nevada

The name of the applicant, complainant, petitioner or the name of the agent for the applicant, complainant or petitioner (see NAC 703.160(4)(b)):

Southwest Gas Corporation.

A brief description of the purpose of the filing or proceeding, including, without limitation, a clear and concise introductory statement that summarizes the relief requested or the type of proceeding scheduled **AND** the effect of the relief or proceeding upon consumers (see NAC 703.160(4)(c)):

Southwest Gas seeks an order approving an Amendment to its Renewable Natural Gas Procurement Agreement with the Regional Transportation Commission of Southern Nevada.

A statement indicating whether a consumer session is required to be held pursuant to Nevada Revised Statute (“NRS”) 704.069(1)¹:

Southwest Gas does not believe that a consumer session is required.

If the draft notice pertains to a tariff filing, please include the tariff number **AND** the section number(s) or schedule number(s) being revised.

This notice does not pertain to a tariff filing.

¹ NRS 704.069 states in pertinent part:

1. The Commission shall conduct a consumer session to solicit comments from the public in any matter pending before the Commission pursuant to NRS 704.061 to 704.110 inclusive, in which:
 - (a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale, an annual deferred energy accounting adjustment application pursuant to NRS 704.187 or an annual rate adjustment application; and
 - (b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less.