

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Southwest Gas Corporation to establish)
Base Tariff General Rates, Unrecovered Gas Cost)
Expense rates, distribution shrinkage rates, commodity) Docket No. 14-06004
and reservation rates, and Renewable Energy Program)
rates.)
_____)

NOTICE OF CONSUMER SESSION
AND
NOTICE OF HEARING

Southwest Gas Corporation (“SWG”) filed with the Public Utilities Commission of Nevada (“Commission”) an Application, designated as Docket No. 14-06004. Specifically, SWG filed its Annual Rate Adjustment (“ARA”) Application (also known as an “Application for Deferred Energy Accounting Adjustment”), requesting authority to establish: (1) its Base Tariff General Rates (“BTGR”) in Southern Nevada pursuant to the Variable Interest Expense Recovery (“VIER”) mechanism; (2) its Unrecovered Gas Cost Expense (“UGCE”) rates; and (3) its Renewable Energy Program Rates (“REPR”). Additionally, SWG proposes to modify the processes it currently uses to calculate its distribution shrinkage rates (“Shrinkage Rates”) for transportation customers and Imbalance Commodity and Reservation Rates (“Imbalance Rates”) used to calculate transportation customer excess imbalance charges. Alternatively, SWG seeks authority to establish its Shrinkage Rates and Imbalance Rates. SWG further seeks a Commission order: (1) finding that its gas procurement practices are reasonable; (2) finding that its gas purchases were prudent; and (3) approving the proposed revisions to Nevada Gas Tariff No. 7.

SWG states that the VIER mechanism allows SWG to adjust the BTGR to account for changes in the interest rate related to Clark County Industrial Development Revenue Bonds. SWG requests authorization to decrease the Southern Nevada BTGR by \$0.00285 per therm,

DOCUMENT REVIEW AND APPROVAL ROLLING

DRAFTED BY: DL

FINAL DRAFT ON: 7/9/14 AT 1:00 P.M

REVIEWED & APPROVED BY: _____ DATE: _____

ADMIN/ASST. (_____) _____ / /

COMM/COUNSEL SAC 7/9/14

SECRETARY/ASST. SEC. _____ / /

OTHER (_____) _____ / /

which SWG states would result in a decrease of \$1,425,369 in annual revenues.

SWG states that the UGCE rates recover the uncollectible expenses related to gas costs. SWG requests a UGCE rate of \$0.00268 per therm in Southern Nevada and a UGCE rate of \$0.00061 per therm in Northern Nevada, which SWG states would result in an increase of \$1,038,371 in annual revenues in Southern Nevada, and an increase of \$72,496 in annual revenues in Northern Nevada.

SWG states that the REPR currently provides a mechanism by which SWG can recover the deferred costs associated with its Solar Thermal Systems Demonstration Program, which SWG states is now called the Smarter Greener Better Solar Water Heating Program ("Solar Program"), from all full margin customers. SWG proposes a REPR in Southern Nevada of \$0.00592 per therm. In Northern Nevada, SWG proposes a REPR of \$0.00339 per therm. SWG states that this will result in an increase of \$2,266,320 in annual revenues in Southern Nevada, and an increase of \$235,043 in annual revenues in Northern Nevada.

SWG states that the overall effect of the proposed rates changes is an increase in annual revenues of \$1,879,322 or 0.49 percent in Southern Nevada and an increase in annualized revenues of \$307,539 or 0.31 percent in Northern Nevada. SWG states that a residential customer in Southern Nevada using an average of 19 therms in the summer months will experience an increase of \$0.09 or 0.34 percent per month, and that the same customer using an average of 59 therms in the winter months will experience an increase of \$0.27 or 0.46 percent per month. SWG states that a residential customer in Northern Nevada using an average of 25 therms in the summer months will experience an increase of \$0.08 or 0.22 percent per month, and that the same customer using an average of 97 therms in the winter months will experience an increase of \$0.31 or 0.29 percent per month.

SWG states that it is proposing to modify its process for calculating its Shrinkage Rates applicable to transportation service customers in Nevada, including moving the calculation of the Shrinkage Rates from the ARA to SWG's quarterly Gas Cost Rate Adjustment. However, if the proposed modification is not accepted by the Commission, SWG has calculated a credit Shrinkage Rate for all applicable transportation deliveries in Southern Nevada of \$0.00012 per therm for deliveries from high pressure distribution mains, and accredit rate of \$0.00364 per therm for deliveries from low pressure distribution mains. In Northern Nevada, SWG has calculated a credit Shrinkage Rate of \$0.00877 per therm for applicable transportation deliveries.

SWG states that it is also proposing to modify its process for calculating its Imbalance Rates used to calculate transportation customer excess imbalance charges, including moving the calculation of the Imbalance Rates from the ARA to SWG's quarterly Gas Cost Rate Adjustment. However, if the recommended modification is not accepted by the Commission, SWG has calculated Imbalance Commodity and Reservation Rates of \$0.42329 and \$0.07186 per therm, respectively, for Southern Nevada. In Northern Nevada, the calculated Imbalance Commodity and Reservation Rates are \$0.43631 and \$0.28678 per therm, respectively.

The Application is filed pursuant to the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") Chapters 703 and 704, including but not limited to NRS 704.110(9) and NAC 704.023 through 704.222. The Commission will make a determination at an open meeting regarding whether to grant the relief requested, which may have an impact on customers.

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NOTICE IS HEREBY GIVEN that, pursuant to NRS 704.069 and NAC 703.164, the Commission has scheduled a CONSUMER SESSION in this docket to be held as follows:

THURSDAY, SEPTEMBER 18, 2014
6:00 p.m.
Hearing Room A
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701

VIA VIDEOCONFERENCE TO:

Hearing Room A
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

Interested persons may appear at the consumer sessions and be heard regarding the above-captioned matter and the effect this matter may have on their utility service. A representative from SWG will be present at the consumer session to provide an overview of the Application and to answer questions. Public comments will be limited to five minutes per speaker. To accommodate individuals who enter the Commission office who are sensitive to fragrance and chemical products, please use sparingly or not at all: perfumes, colognes, and perfumed body lotions, aftershave, hair products, etc.

NOTICE IS HEREBY GIVEN that the Commission has scheduled a HEARING in this docket to be held as follows:

WEDNESDAY, NOVEMBER 12, 2014
10:00 a.m.
Hearing Room A
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701

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VIA VIDEOCONFERENCE TO:

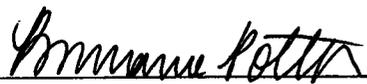
Hearing Room A
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

This hearing may be continued from day to day as necessary. At this time, the Commission has scheduled November 12 and 14, 2014, for this hearing.

The Commission is not responsible for providing clerical or administrative assistance or materials to parties during Commission proceedings. If such assistance is necessary, parties must make other arrangements for this type of assistance.

The Application is available for public viewing on the Commission's website at: <http://puc.nv.gov> and at the offices of the Commission: 1150 East William Street, Carson City, Nevada 89701 and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148. This Notice of Application has been posted at the county courthouses located in Carson City, Las Vegas, and Reno.

By the Commission,



BREANNE POTTER,
Assistant Commission Secretary

Dated: Carson City, Nevada

7-10-14

(SEAL)

